

**Vaughan Nelson Investment
Management**

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**CEO AND CIO
SENIOR PORTFOLIO MANAGER**
Chris Wallis, CFA

EQUITY INVESTMENTS

Dennis Alff, CFA
Stephen Davis, CFA
James Eisenman, CFA, CPA
Michael Hanna
Jeff Sokol, CFA
Scott Weber, CFA
William Wojciechowski, PhD

FIXED INCOME INVESTMENTS

Charles Ellis
Blanca Garza-Bianco
Steven Henriksen, Director

MARKETING/CLIENT SERVICE

Margaret Buescher, CFA
Scott Drysdale
Mark Farrell
George Holewyne
Cynthia Lones

For the fiscal 1st quarter (6/1/12 – 11/30/12) the TWU bond portfolio produced a total return of 0.46%. The most representative benchmark index, ML/BAC AA-rated or better Intermediate Government/Credit Index returned 0.29% for the period. The stated guideline benchmarks returned 0.69% (Barclays Intermediate Government/Credit Index) and 0.22% (ML/BAC Intermediate Government Index). Longer term results remain solid, with annualized returns of 4.46%, 4.22% and 5.15% over the past 12 months, 3 years, and 5 years. Over those same periods the ML/BAC Intermediate AA-rated or better Government/Credit Index returned 3.00%, 3.86% and 4.66%.

During the previous 3 months the fixed income markets continued to react to both positive and negative headline political and economic news, with the 10-year Treasury trading in a narrow range of 1.55% to 1.80%. We expect a similar interest rate environment in 2013, with an accommodative Federal Reserve holding short term rates near zero, and continuing to purchase longer term Treasuries and Mortgage securities to support economic growth and reduce unemployment. With this outlook we will continue to manage the portfolio structure similar to the previous year, with duration close to that of the benchmark, underweight Treasuries and overweight Corporate, Agency and Mortgage securities.

VN Investment Management

TEXAS WOMAN'S UNIVERSITY
INVESTMENT PORTFOLIO
As of November, 2012

| <u>Settled</u> | <u>Security</u> | <u>Maturity</u> | <u>Coupon</u> | <u>Par</u> | <u>Price</u> | <u>Cost</u> | <u>Book Value</u> | <u>Accrued Interest</u> |
|-------------------------------|--------------------------|-----------------|---------------|------------|--------------|-------------------------|-------------------------|-------------------------|
| 04/16/98 | FGCI | 03/01/13 | 6.00 | 726 | 98.89 | 717.46 | 717.46 | 3.51 |
| 06/06/08 | FNMA | 07/12/13 | 3.88 | 1,000,000 | 99.78 | 997,780.00 | 999,732.47 | 14,854.17 |
| VARIOUS | CME GROUP | 08/01/13 | 5.40 | 4,000,000 | 107.98 | 4,319,292.50 | 4,056,536.98 | 71,400.00 |
| 02/09/10 | NEW YORK LIFE GLOBAL | 09/15/13 | 5.38 | 4,000,000 | 110.92 | 4,436,720.00 | 4,096,268.85 | 44,791.67 |
| 10/22/04 | FNMA | 10/15/13 | 4.63 | 1,075,000 | 101.51 | 1,091,179.83 | 1,076,575.06 | 6,214.84 |
| VARIOUS | UNITED STATES TREAS | 12/31/13 | 1.50 | 6,100,000 | 101.18 | 6,171,872.86 | 6,118,823.94 | 38,042.12 |
| 10/12/04 | FHLMC | 01/15/14 | 4.50 | 650,000 | 99.05 | 643,799.00 | 649,247.27 | 10,968.75 |
| 05/20/99 | FGCI | 05/01/14 | 6.00 | 5,877 | 99.69 | 5,859.06 | 5,859.06 | 28.41 |
| 11/16/11 | FHLMC | 08/20/14 | 1.00 | 2,470,000 | 100.76 | 2,488,655.91 | 2,481,639.17 | 6,861.11 |
| VARIOUS | YALE UNIVERSITY | 10/15/14 | 2.90 | 2,700,000 | 105.62 | 2,851,857.00 | 2,769,686.71 | 9,787.50 |
| 12/15/11 | BERKSHIRE HATHAWAY | 02/11/15 | 3.20 | 3,350,000 | 105.81 | 3,544,534.50 | 3,485,419.53 | 32,457.78 |
| Various | WACHOVIA | 08/15/15 | 5.00 | 2,550,000 | 107.71 | 2,746,708.00 | 2,667,684.15 | 37,187.50 |
| 06/29/12 | MET LIFE | 09/29/15 | 2.50 | 4,000,000 | 102.90 | 4,115,840.00 | 4,100,801.55 | 16,944.44 |
| 08/10/11 | FNMA | 10/26/15 | 1.63 | 2,390,000 | 101.90 | 2,435,433.90 | 2,421,329.43 | 3,667.99 |
| VARIOUS | UNITED STATES TREAS | 01/31/16 | 2.00 | 5,470,000 | 100.51 | 5,497,759.73 | 5,487,762.84 | 36,268.48 |
| VARIOUS | UNITED STATES TREAS | 02/15/17 | 4.63 | 1,400,000 | 105.76 | 1,480,575.19 | 1,437,052.85 | 18,826.77 |
| 03/06/12 | FNMA | 03/06/17 | 1.20 | 4,695,000 | 99.82 | 4,686,549.00 | 4,687,794.65 | 13,146.00 |
| 04/21/09 | FHLB | 03/10/17 | 5.13 | 1,070,000 | 109.56 | 1,172,270.60 | 1,125,447.93 | 12,186.11 |
| 07/21/03 | FHLMC | 07/01/17 | 6.00 | 48,197 | 104.42 | 50,328.22 | 50,328.22 | 232.95 |
| 02/04/11 | UNIV TEXAS | 08/15/17 | 3.32 | 2,000,000 | 100.70 | 2,013,900.00 | 2,010,307.94 | 19,360.83 |
| 09/19/02 | FNMA | 09/01/17 | 5.50 | 19,985 | 102.55 | 20,494.03 | 20,494.03 | 88.54 |
| 04/17/08 | FNMA | 03/01/18 | 6.00 | 257,807 | 102.97 | 265,460.58 | 265,460.58 | 1,246.07 |
| 04/18/08 | FNMA | 04/01/18 | 5.00 | 1,573,472 | 101.39 | 1,595,304.81 | 1,595,304.81 | 6,337.60 |
| 04/17/08 | FNMA | 05/01/18 | 5.00 | 1,014,291 | 101.13 | 1,025,701.95 | 1,025,701.95 | 4,085.34 |
| 11/17/09 | FNMA | 12/01/18 | 4.50 | 424,035 | 104.52 | 443,182.71 | 443,182.71 | 1,537.13 |
| VARIOUS | CORNELL UNIVERSITY | 02/01/19 | 5.45 | 2,500,000 | 107.95 | 2,698,865.50 | 2,635,017.49 | 45,038.19 |
| VARIOUS | UNITED STATES TREAS | 02/15/19 | 2.75 | 5,625,000 | 103.19 | 5,804,211.94 | 5,749,736.74 | 44,977.07 |
| 10/23/09 | STANFORD UNIVERSITY | 05/01/19 | 4.75 | 1,450,000 | 105.87 | 1,535,158.50 | 1,507,403.78 | 5,548.26 |
| VARIOUS | JOHNS HOPKINS UNIVERSITY | 07/01/19 | 5.25 | 3,125,000 | 113.92 | 3,559,965.15 | 3,421,740.27 | 67,903.65 |
| VARIOUS | TX ST REF TXB | 10/01/19 | 3.19 | 2,105,000 | 104.26 | 2,194,648.60 | 2,181,532.35 | 11,018.86 |
| VARIOUS | GENERAL ELECTRIC | 01/08/20 | 5.50 | 3,170,000 | 108.50 | 3,439,363.39 | 3,366,301.96 | 68,771.39 |
| VARIOUS | UNITED STATES TREAS | 11/15/20 | 2.63 | 4,285,000 | 94.76 | 4,060,653.94 | 4,101,678.10 | 4,660.83 |
| 08/17/11 | WALMART | 10/25/20 | 3.25 | 3,035,000 | 103.43 | 3,139,012.75 | 3,124,435.94 | 9,589.76 |
| 03/26/12 | TEXACO CAPITAL | 09/01/21 | 8.88 | 1,405,000 | 144.77 | 2,034,032.55 | 1,988,540.12 | 30,827.07 |
| 06/18/12 | FNMA | 10/01/21 | 3.00 | 2,525,589 | 104.98 | 2,651,474.48 | 2,651,474.48 | 6,103.51 |
| 06/06/12 | IBM CORP | 11/01/21 | 2.90 | 2,000,000 | 106.03 | 2,120,580.00 | 2,114,361.60 | 4,672.22 |
| Total VNSM Investments | | | | | | \$ 87,339,743.64 | \$ 85,921,382.97 | \$ 705,636.42 |

TEXAS WOMAN'S UNIVERSITY
INVESTMENT PORTFOLIO
As of November, 2012

| <u>Security</u> | <u>Shares</u> | <u>Cost</u> | <u>Book Value</u> | <u>Accrued Interest</u> |
|------------------------------------|---------------|--------------------------|--------------------------|-------------------------|
| Stocks | | | | |
| ACCO | 51 | - | - | N/A |
| AT&T | 5,128 | 37,568.00 | 37,568.00 | N/A |
| BP PLC SPONSORED ADR | 390 | 17,793.75 | 17,793.75 | N/A |
| CENTURY LINK | 99 | 0.00 | 0.00 | N/A |
| CLECO CORP COM | 1,724 | 6,303.38 | 6,303.38 | N/A |
| COMCAST CORP | 853 | - | - | N/A |
| EXXON MOBIL | 5,160 | 27,615.09 | 27,615.09 | N/A |
| GENERAL ELECTRIC | 14,880 | 13,661.56 | 13,661.56 | N/A |
| HALLIBURTON CO COM | 220 | 4,090.68 | 4,090.68 | N/A |
| LSI CORP | 62 | 0.00 | 0.00 | N/A |
| LUCENT TECHNOLOGIES | 212 | 0.00 | 0.00 | N/A |
| MARATHON OIL | 54 | 937.83 | 937.83 | N/A |
| MARATHON PETROLEUM | 27 | 0.00 | 0.00 | N/A |
| MEADWESTVACO CORP | 158 | 5,024.62 | 5,024.62 | N/A |
| NCR CORP | 105 | 0.00 | 0.00 | N/A |
| OCCIDENTAL PETE | 1,000 | 12,406.25 | 12,406.25 | N/A |
| TERRADATA CORP | 105 | 0.00 | 0.00 | NA |
| TEXAS INSTRS | 1,344 | 1,319.50 | 1,319.50 | N/A |
| UNITED STATES STEEL | 5 | 173.67 | 173.67 | N/A |
| VERIZON COMMUNICATION | 1,188 | 0.00 | 0.00 | N/A |
| VODAFONE GROUP | 735 | 0.00 | 0.00 | N/A |
| Total Stocks | | \$ 126,894.33 | \$ 126,894.33 | - |
| TEXPOOL | | 82,262,917.76 | 82,262,917.76 | - |
| GOLDMAN SACHS TRSY. OBLIGS. | | 52,382.32 | 52,382.32 | - |
| TOTAL PORTFOLIO | | \$ 169,781,938.05 | \$ 168,363,577.38 | \$ 705,636.42 |

TEXAS WOMAN'S UNIVERSITY
Comparison of Market Values
For the period ending November 30, 2012

| VN Investment Mgt | General Operations Portfolio | Security | Maturity Date | Beginning of Period | | | End of Period | | | 8/31/12 to 11/30/2012 Mrkt Chg |
|--------------------------|-------------------------------------|-----------------|----------------------|-----------------------------|-------------------------------|-------------------------------|------------------------------|--------------------------------|-------------------------------|---------------------------------------|
| | | | | 8/31/2012 Book Value | 8/31/2012 Market Value | Unrealized Gain/(Loss) | 11/30/2012 Book Value | 11/30/2012 Market Value | Unrealized Gain/(Loss) | |
| FHLMC E69244 | | | 03-01-13 | 1,335.77 | 1,427.15 | 91.38 | 717.46 | 759.97 | 42.51 | (48.87) |
| FANNIE MAE | | | 07-12-13 | 999,623.93 | 1,031,490.00 | 31,866.07 | 999,732.47 | 1,022,470.00 | 22,737.53 | (9,128.54) |
| CME GROUP INC | | | 08-01-13 | 4,077,569.62 | 4,179,296.00 | 101,726.38 | 4,056,536.98 | 4,131,532.00 | 74,995.02 | (26,731.36) |
| NEW YORK LIFE GLOBAL FDG | | | 09-15-13 | 4,126,435.41 | 4,209,436.49 | 83,001.08 | 4,096,268.85 | 4,156,440.00 | 60,171.15 | (22,829.93) |
| FANNIE MAE | | | 10-15-13 | 1,077,023.58 | 1,127,750.25 | 50,726.67 | 1,076,575.06 | 1,116,140.25 | 39,565.19 | (11,161.48) |
| US TREASURY N/B | | | 12-31-13 | 6,123,140.52 | 6,205,082.02 | 81,941.50 | 6,118,823.94 | 6,185,066.39 | 66,242.45 | (15,699.05) |
| FREDDIE MAC | | | 01-15-14 | 649,080.49 | 687,914.50 | 38,834.01 | 649,247.27 | 680,940.00 | 31,692.73 | (7,141.28) |
| FHLMC E00669 | | | 05-01-14 | 7,269.49 | 7,704.75 | 435.26 | 5,859.06 | 6,156.61 | 297.55 | (137.71) |
| FREDDIE MAC | | | 08-20-14 | 2,483,320.03 | 2,502,900.40 | 19,580.37 | 2,481,639.17 | 2,500,791.02 | 19,151.85 | (428.52) |
| YALE UNIVERSITY | | | 10-15-14 | 2,778,948.61 | 2,841,174.45 | 62,225.84 | 2,769,686.71 | 2,826,160.50 | 56,473.79 | (5,752.05) |
| BERKSHIRE HATHAWAY INC | | | 02-11-15 | 3,500,745.63 | 3,566,098.04 | 65,352.41 | 3,485,419.53 | 3,538,177.21 | 52,757.68 | (12,594.73) |
| WACHOVIA BANK NA | | | 08-15-15 | 2,678,481.70 | 2,800,066.73 | 121,585.03 | 2,667,684.15 | 2,798,679.42 | 130,995.27 | 9,410.24 |
| MET LIFE GLOB FUNDING I | | | 09-29-15 | 4,109,687.91 | 4,151,718.52 | 42,030.61 | 4,100,801.55 | 4,158,833.76 | 58,032.21 | 16,001.60 |
| FANNIE MAE | | | 10-26-15 | 2,424,020.22 | 2,480,628.80 | 56,608.58 | 2,421,329.43 | 2,474,749.40 | 53,419.97 | (3,188.61) |
| US TREASURY N/B | | | 01-31-16 | 5,489,155.98 | 5,775,554.20 | 286,398.22 | 5,487,762.84 | 5,752,033.20 | 264,270.36 | (22,127.86) |
| US TREASURY N/B | | | 02-15-17 | 1,439,242.20 | 1,653,428.00 | 214,185.80 | 1,437,052.85 | 1,640,184.00 | 203,131.15 | (11,054.65) |
| FANNIE MAE | | | 03-06-17 | 4,687,373.26 | 4,757,114.85 | 69,741.59 | 4,687,794.65 | 4,755,471.60 | 67,676.95 | (2,064.64) |
| FEDERAL HOME LOAN BANK | | | 03-10-17 | 1,128,680.75 | 1,267,168.90 | 138,488.15 | 1,125,447.93 | 1,270,828.30 | 145,380.37 | 6,892.22 |
| FHLMC E90594 | | | 07-01-17 | 55,624.85 | 56,282.40 | 657.55 | 50,328.22 | 50,486.37 | 158.15 | (499.40) |
| UNIV TX REVS-D-BABS | | | 08-15-17 | 2,010,811.84 | 2,204,400.00 | 193,588.16 | 2,010,307.94 | 2,201,576.90 | 191,268.96 | (2,319.20) |
| FNMA 654508 | | | 09-01-17 | 22,849.87 | 24,197.26 | 1,347.39 | 20,494.03 | 21,483.92 | 989.89 | (357.50) |
| FNMA 257151 | | | 03-01-18 | 285,854.18 | 294,405.50 | 8,551.32 | 265,460.58 | 274,507.04 | 9,046.46 | 495.14 |
| FNMA 257189 | | | 04-01-18 | 1,792,593.70 | 1,921,755.04 | 129,161.34 | 1,595,304.81 | 1,708,153.09 | 112,848.28 | (16,313.06) |
| FNMA 257201 | | | 05-01-18 | 1,159,800.13 | 1,246,595.24 | 86,795.11 | 1,025,701.95 | 1,101,109.34 | 75,407.39 | (11,387.72) |
| FNMA 257517 | | | 12-01-18 | 465,885.50 | 481,447.35 | 15,561.85 | 443,182.71 | 456,222.27 | 13,039.56 | (2,522.29) |
| CORNELL UNIVERSITY | | | 02-01-19 | 2,640,457.72 | 3,051,725.70 | 411,267.98 | 2,635,017.49 | 3,069,478.05 | 434,460.56 | 23,192.58 |
| US TREASURY N/B | | | 02-15-19 | 5,754,749.12 | 6,286,816.41 | 532,067.29 | 5,749,736.74 | 6,265,722.66 | 515,985.92 | (16,081.37) |
| STANFORD UNIVERSITY | | | 05-01-19 | 1,509,629.43 | 1,728,266.52 | 218,637.09 | 1,507,403.78 | 1,721,530.74 | 214,126.96 | (4,510.13) |
| JOHNS HOPKINS UNIVERSITY | | | 07-01-19 | 3,432,948.78 | 3,816,714.91 | 383,766.13 | 3,421,740.27 | 3,799,908.28 | 378,168.01 | (5,598.12) |
| TX ST-REF-TXB | | | 10-01-19 | 2,184,074.28 | 2,315,500.00 | 131,425.72 | 2,181,532.35 | 2,308,955.85 | 127,423.50 | (4,002.22) |
| GENERAL ELEC CAP CORP | | | 01-08-20 | 3,373,191.69 | 3,759,778.58 | 386,586.89 | 3,366,301.96 | 3,782,751.01 | 416,449.05 | 29,862.16 |
| WAL-MART STORES INC | | | 10-25-20 | 3,127,258.26 | 3,344,564.37 | 217,306.11 | 3,124,435.94 | 3,354,924.24 | 230,488.30 | 13,182.19 |
| US TREASURY N/B | | | 11-15-20 | 4,095,952.33 | 4,748,637.00 | 652,684.67 | 4,101,678.10 | 4,744,309.15 | 642,631.05 | (10,053.62) |
| TEXACO CAPITAL INC | | | 09-01-21 | 2,005,165.86 | 2,116,597.36 | 111,431.50 | 1,988,540.12 | 2,110,459.13 | 121,919.01 | 10,487.51 |
| FNMA MA0865 | | | 10-01-21 | 2,897,723.30 | 2,916,110.51 | 18,387.21 | 2,651,474.48 | 2,670,480.45 | 19,005.97 | 618.76 |
| IBM CORP | | | 11-01-21 | 2,117,558.63 | 2,142,530.19 | 24,971.56 | 2,114,361.60 | 2,135,861.88 | 21,500.28 | (3,471.28) |
| Sub-Total VNSM | | | | \$ 86,713,264.57 | \$ 91,702,278.39 | \$ 4,989,013.82 | \$ 85,921,382.97 | \$ 90,793,334.00 | \$ 4,871,951.03 | \$ (117,062.79) |

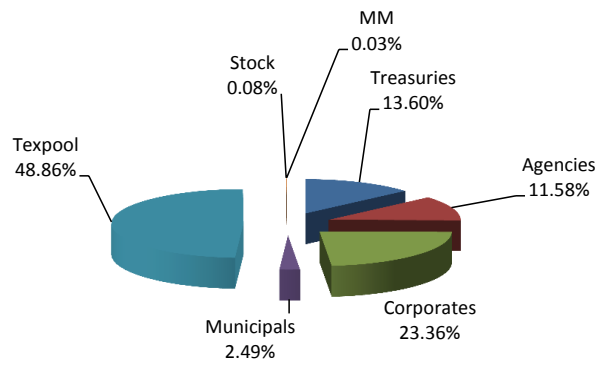
TEXAS WOMAN'S UNIVERSITY
Comparison of Market Values
For the period ending November 30, 2012

| VN Investment Mgt General Operations Portfolio Security | Beginning of Period | | | End of Period | | | 8/31/12 to 11/30/2012 Mrkt Chg |
|--|---------------------------------|-----------------------------------|-----------------------------------|----------------------------------|------------------------------------|-----------------------------------|---|
| | 8/31/2012 Book Value | 8/31/2012 Market Value | Unrealized Gain/(Loss) | 11/30/2012 Book Value | 11/30/2012 Market Value | Unrealized Gain/(Loss) | |
| <u>Stocks</u> | | | | | | | |
| ACCO | - | 336.09 | 336.09 | 0.00 | 343.74 | 343.74 | 7.65 |
| AT&T | 37,568.00 | 187,886.69 | 150,318.69 | 37,568.00 | 175,015.63 | 137,447.63 | (12,871.06) |
| BP AMOCO | 17,793.75 | 16,403.40 | (1,390.35) | 17,793.75 | 16,286.40 | (1,507.35) | (117.00) |
| CLECO | 6,303.38 | 70,563.32 | 64,259.94 | 6,303.38 | 69,459.96 | 63,156.58 | (1,103.36) |
| COMCAST CORP | 0.00 | 28,601.09 | 28,601.09 | 0.00 | 31,727.34 | 31,727.34 | 3,126.25 |
| CENTURYLINK | 0.00 | 4,183.74 | 4,183.74 | 0.00 | 3,845.16 | 3,845.16 | (338.58) |
| EXXON MOBIL | 27,615.09 | 450,468.00 | 422,852.91 | 27,615.09 | 454,802.40 | 427,187.31 | 4,334.40 |
| GENERAL ELECTRIC | 13,661.56 | 308,164.80 | 294,503.24 | 13,661.56 | 314,414.40 | 300,752.84 | 6,249.60 |
| HALLIBURTON | 4,090.68 | 7,207.20 | 3,116.52 | 4,090.68 | 7,337.00 | 3,246.32 | 129.80 |
| LSI CORP | 0.00 | 482.98 | 482.98 | 0.00 | 417.88 | 417.88 | (65.10) |
| LUCENT TECHNOLOGY | 0.00 | 239.99 | 239.99 | 0.00 | 233.62 | 233.62 | (6.37) |
| MARATHON OIL | 937.83 | 1,502.28 | 564.45 | 937.83 | 1,665.90 | 728.07 | 163.62 |
| MARATHON PETROLEUM | 0.00 | 1,397.25 | 1,397.25 | 0.00 | 1,607.58 | 1,607.58 | 210.33 |
| MEAD CORP | 4,987.34 | 4,514.68 | (472.66) | 5,024.62 | 4,891.76 | (132.86) | 339.80 |
| NCR CORPORATION | 0.00 | 2,350.95 | 2,350.95 | 0.00 | 2,512.65 | 2,512.65 | 161.70 |
| OCCIDENTAL PETE | 12,406.25 | 85,010.00 | 72,603.75 | 12,406.25 | 75,210.00 | 62,803.75 | (9,800.00) |
| TALBOTS | 8,357.00 | 552.00 | (7,805.00) | - | - | - | 7,805.00 |
| TERADATA CORP. | 0.00 | 8,019.90 | 8,019.90 | 0.00 | 6,245.40 | 6,245.40 | (1,774.50) |
| TEXAS INSTRUMENTS | 1,319.50 | 39,029.76 | 37,710.26 | 1,319.50 | 39,607.68 | 38,288.18 | 577.92 |
| USX-U S STL COM | 173.67 | 97.25 | (76.42) | 173.67 | 107.80 | (65.87) | 10.55 |
| VERIZON | 0.00 | 51,012.72 | 51,012.72 | 0.00 | 52,414.56 | 52,414.56 | 1,401.84 |
| VODAFONE GROUP | 0.00 | 21,256.20 | 21,256.20 | 0.00 | 18,959.33 | 18,959.33 | (2,296.87) |
| Sub-Total Stocks | \$ 135,214.05 | \$ 1,289,280.29 | \$ 1,154,066.24 | \$ 126,894.33 | \$ 1,277,106.19 | \$ 1,150,211.86 | \$ (3,854.38) |
| TEXPOOL | \$ 97,392,857.42 | \$ 97,392,857.42 | \$ - | \$ 82,262,917.76 | \$ 82,262,917.76 | \$ - | |
| GOLDMAN SACHS TRSY. OBLIGS. | \$ 47,148.82 | \$ 47,148.82 | \$ - | \$ 52,382.32 | \$ 52,382.32 | \$ - | |
| TOTAL PORTFOLIO | \$ 184,288,484.86 | \$ 190,431,564.92 | \$ 6,143,080.06 | \$ 168,363,577.38 | \$ 174,385,740.27 | \$ 6,022,162.89 | \$ (120,917.17) |

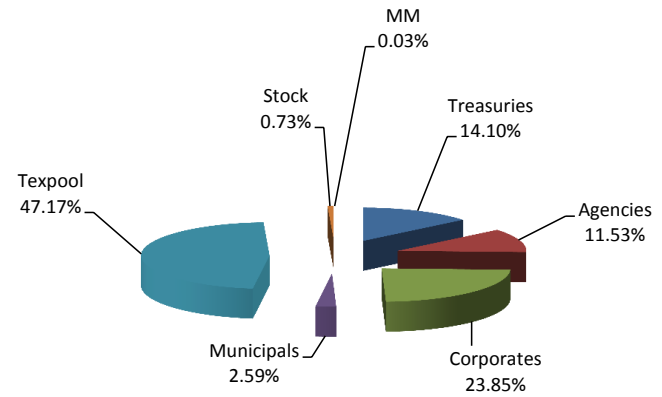
Texas Woman's University
Diversification by Market Sector
As of November 30, 2012

General Operations Portfolio - Vaughan Nelson Investment Management

BASED ON BOOK VALUE



BASED ON MARKET VALUE





MEMORANDUM

To: Dr. Brenda Floyd, Vice President-Finance and Administration
Kelly McCullar, Associate Vice President-Finance
From: I. Craig Hester, CFA
Date: January 22, 2013
Re: Texas Woman's University Endowment Fund Executive Summary

MARKET VALUE:

The market value of the Texas Woman's University Endowment Fund (TWUE) investment portfolio ended the first quarter of FY 2013 with a market value of \$11,186,983 compared to \$10,898,812 at year end FY 2012. One year ago the valuation stood at \$10,284,788. Gross cash flow from interest and dividends was \$45,750. There were no withdrawals, and contributions totaled \$156,639.

ASSET ALLOCATION:

The Portfolio's asset allocation was in line with the investment policy, and well within the policy ranges. Domestic equities represented 43.9% compared to the target of 50% and the range of 30-60%. International investments stood at 10.1% versus the policy range of 0-15%, while fixed income accounted for 38.2% at the low end of a 30-70% policy range. Cash reserves totaled 7.7%.

INVESTMENT PERFORMANCE:

For the first quarter of FY 2013, the TWUE experienced a return, net of fees, of 1.34%. It has been a good start to the year in the absolute, and relatively speaking the various components of the portfolio are performing well. The investments added \$147,431 in value in the first quarter.

All the asset classes performed well in Q1. International equities were very strong, with many emerging market investments leading the way and some assistance from developed countries such as Germany and Switzerland. The International allocation was up 9.25% during the period. The Domestic Equity sector had a good quarter, advancing 0.75% and gained more momentum in the month of December.

The Fixed-Income holdings had a good start returning 0.72% with the Barclays Index up 0.68%. The outperformance can be attributed to the investments in tax-free and taxable municipal bonds, as well as the average maturity of the portfolio at 11.3 years.

OUTLOOK:

Volatility remains the topic of the day as economies both domestic and abroad struggle with their respective economic and fiscal issues. Unfortunately, the Fiscal Cliff negotiations that took place in December are probably a good indicator of how the politically charged congress will affect the financial markets as we near the debt ceiling debate toward the end of the first quarter. Suffice it to say that we don't believe our politicians will suddenly adopt a sense of bipartisanship that removes volatility from our markets. That said, volatility can be a friend of investors with investment horizons that stretch five or more years. We view the increased volatility as a buying opportunity that can position our portfolios for long-term appreciation.

Despite strong absolute performance, performance of the domestic equity strategy relative to the benchmark was challenging over the past year. We have thought long and hard about the issues we pointed out above regarding domestic equities. While Apple faced several challenges in the second half of 2012, we continue to monitor the situation for potential investment this year. Additionally, we feel more comfortable with some of the larger financial institutions and will likely selectively increase our exposure there as we see prudent in 2013. We continue to have conviction in our energy investments, as well as those investments that experienced specific temporary setbacks. We are optimistic that our investment theses will play out over time. Unfortunately, temporary negative events such as we are experiencing this year are a reality we must face occasionally as value investors; it's part of the process of thinking outside of consensus.

For the new year we favor stocks over bonds and cash, as well as for the longer term. It is very difficult to justify purchasing bonds at current interest rate levels, and cash continues to provide a paltry return. We believe owning shares in good quality companies that have sound financial structures, pay a dividend and have the cash flow to grow that dividend over the long term make more investment sense in today's market as compared to other classes of financial assets. Thus we plan to remain under-weighted in bonds relative to the policy ranges and deploy cash reserves to equities.

Thank you for your confidence and trust in our team. We value our relationship with the Texas Woman's University and look forward to our next meeting.

Respectfully submitted, Craig Hester

Texas Woman's University Endowment Fund
Portfolio Listing @ 11/30/2012

Hester Capital Management

| <u>Settled</u> | <u>Security</u> | <u>Maturity</u> | <u>Coupon</u> | <u>Par</u> | <u>Price</u> | <u>Cost</u> | <u>Book Value</u> | <u>Accrued Interest</u> |
|----------------------------------|---|-----------------|---------------|------------|--------------|------------------------|------------------------|-------------------------|
| <u>Debt Securities</u> | | | | | | | | |
| 03/09/09 | General Electric Company | 02/01/13 | 5.00 | 50,000 | 94.47 | 47,237.50 | 49,864.61 | 833.33 |
| 02/24/09 | Wal-Mart Stores Inc. | 02/03/14 | 3.00 | 100,000 | 99.86 | 99,861.00 | 99,965.07 | 983.33 |
| 05/21/09 | J.P. Morgan Chase & Co. | 06/01/14 | 4.65 | 50,000 | 100.00 | 50,000.00 | 50,000.00 | 1162.50 |
| 02/24/09 | Coca-Cola Enterprises | 03/01/15 | 4.25 | 125,000 | 99.49 | 124,367.50 | 124,744.49 | 1328.12 |
| 04/27/09 | Emerson Electric Company | 04/15/15 | 4.12 | 50,000 | 101.42 | 50,710.00 | 50,301.36 | 263.54 |
| 07/03/12 | Caterpillar Inc. (N/C) | 06/26/15 | 0.95 | 120,000 | 100.53 | 120,634.80 | 120,547.56 | 490.83 |
| 07/03/12 | General Electric Capital Corp (N/C) | 07/02/15 | 1.62 | 100,000 | 100.22 | 100,218.00 | 100,188.51 | 672.57 |
| 12/19/08 | Hewlett-Packard Company | 03/01/17 | 5.40 | 100,000 | 99.25 | 99,250.00 | 99,569.98 | 1350.00 |
| 07/03/12 | Wells Fargo & Company Medium Term Note (N/C) | 05/08/17 | 2.10 | 100,000 | 100.46 | 100,458.63 | 100,421.21 | 134.17 |
| 02/24/09 | Cisco Systems Inc. | 02/15/19 | 4.95 | 175,000 | 99.20 | 173,598.25 | 174,047.70 | 2550.62 |
| 02/24/09 | Unilever Capital Corp | 02/15/19 | 4.80 | 150,000 | 99.93 | 149,890.50 | 149,925.90 | 2120.00 |
| 05/17/12 | Corpus Christi, TX Utility Sys Rev | 07/15/29 | 5.00 | 100,000 | 111.62 | 111,616.00 | 111,358.31 | 3333.33 |
| 11/23/10 | University of TX Perm Univ Fd | 07/01/30 | 4.75 | 200,000 | 99.75 | 199,500.00 | 199,500.00 | 3958.33 |
| 11/25/11 | Alamo, TX Cmnty Clg Dist | 08/15/32 | 4.75 | 50,000 | 106.01 | 53,007.00 | 52,913.00 | 699.31 |
| 11/25/11 | Texas St Transn Commn-Mobility Fd | 04/01/33 | 4.50 | 50,000 | 103.73 | 51,865.00 | 51,808.79 | 375.00 |
| 09/27/11 | Tomball, TX ISD PSF-Gtd | 02/15/34 | 4.37 | 100,000 | 103.92 | 103,925.00 | 103,795.10 | 5833.33 |
| 03/13/12 | Tarrant County, TX Regl Wtr Dist Wtr Transmission | 09/01/35 | 4.00 | 100,000 | 103.73 | 103,726.00 | 103,653.52 | 1000.00 |
| 04/10/08 | Reading, PA (Taxable)(N/C) | 11/15/15 | 5.10 | 100,000 | 102.69 | 102,693.00 | 101,160.72 | 226.67 |
| 08/23/11 | Texas State G.O. Pub. Fin. Auth. Non Callable | 10/01/18 | 2.89 | 100,000 | 105.77 | 105,770.00 | 104,794.01 | 482.33 |
| 08/23/11 | Texas State G.O. Pub. Fin. Auth. Non Callable | 10/01/19 | 3.19 | 100,000 | 106.21 | 106,209.00 | 105,308.11 | 532.33 |
| 06/07/11 | Arlington, TX ISD PSF Gtd QSCB (Taxable) | 02/15/26 | 4.62 | 100,000 | 100.00 | 100,000.00 | 100,000.00 | 7308.67 |
| 07/21/11 | Jacksonville, TX ISD QSCB PSF-Gtd | 02/15/26 | 4.40 | 100,000 | 100.00 | 100,000.00 | 100,000.00 | 1295.56 |
| 05/11/12 | San Antonio, TX ISD PSF-GTD BABS | 08/15/26 | 5.53 | 100,000 | 122.51 | 122,507.00 | 121,819.91 | 1629.16 |
| 10/13/11 | Flatonía, TX ISD QSCB PSF-Gtd | 08/15/27 | 4.00 | 100,000 | 100.00 | 100,000.00 | 100,000.00 | 1177.78 |
| 02/14/12 | University of Houston Revenue | 02/15/30 | 4.65 | 100,000 | 104.87 | 104,873.00 | 104,726.53 | 1369.17 |
| 07/19/11 | Atlanta, TX ISD BABS PSF-GTD | 08/15/30 | 5.04 | 100,000 | 102.31 | 102,306.00 | 102,201.28 | 1485.18 |
| 12/29/10 | San Antonio, TX ISD PSF BAB | 08/15/31 | 6.10 | 100,000 | 101.06 | 101,057.00 | 101,003.66 | 1795.23 |
| 08/05/11 | Irving, TX ISD PSF-GTD BABS | 02/15/35 | 5.56 | 100,000 | 105.79 | 105,787.00 | 105,612.01 | 1637.41 |
| 04/26/11 | Round Rock, TX ISD BABS PSF | 08/01/35 | 6.02 | 100,000 | 105.99 | 105,987.00 | 105,789.96 | 2008.00 |
| 10/27/11 | Austin, TX Cmnty Clg Dist | 02/01/36 | 5.77 | 150,000 | 106.00 | 159,000.00 | 158,792.85 | 2883.50 |
| 10/09/12 | FHLB Multi-Step Cpn 313380R74 | 10/09/20 | 1.00 | 200,000 | 100.00 | 200,000.00 | 200,000.00 | 0.00 |
| 05/10/12 | FHLB Multi-Step Cpn 3133794n6 | 04/25/22 | 2.00 | 100,000 | 100.00 | 100,000.00 | 100,000.00 | 200.00 |
| 09/28/12 | FNMA Multi-Step Cpn 3136g0g54 | 09/27/27 | 1.00 | 150,000 | 100.00 | 150,000.00 | 150,000.00 | 266.67 |
| 07/13/09 | FNMA Pool #725419 | 10/01/33 | 4.50 | 121,306 | 100.59 | 122,026.23 | 122,026.23 | 454.90 |
| 12/07/09 | GNMA | 11/20/39 | 4.50 | 200,000 | 99.37 | 198,750.00 | 198,750.00 | 275.00 |
| 10/03/12 | Panhandle-Plains Higher Education Authority, Inc. | 07/01/24 | 1.31 | 100,000 | 101.37 | 101,375.00 | 101,375.00 | 218.37 |
| Sub Total Debt Securities | | | | | | \$ 4,028,205.41 | \$ 4,025,965.38 | \$ 52,334.24 |

Hester Capital Management

| <u>Settled</u> | <u>Security</u> | <u>Maturity</u> | <u>Coupon</u> | <u>Par</u> | <u>Price</u> | <u>Cost</u> | <u>Book Value</u> | <u>Accrued Interest</u> |
|------------------------------------|--------------------------------|-----------------|---------------|------------|--------------|------------------------|------------------------|-------------------------|
| <u>Equity Securities</u> | | | | | | | | |
| various | AECOM Technology Corp Delaware | | | 6,225 | | 157,693.30 | 157,693.30 | |
| various | Accenture PLC Ireland | | | 1,625 | | 59,035.23 | 59,035.23 | |
| various | Affiliated Managers Group | | | 975 | | 88,263.80 | 88,263.80 | |
| various | Amdocs Ltd | | | 2,250 | | 68,574.73 | 68,574.73 | |
| various | Apache Corp | | | 1,840 | | 163,149.91 | 163,149.91 | |
| various | Baker Hughes Inc | | | 3,125 | | 167,610.44 | 167,610.44 | |
| various | CVS Caremark Corporation | | | 2,925 | | 92,833.36 | 92,833.36 | |
| 11/19/12 | Chevron Corp New | | | 525 | | 54,990.13 | 54,990.13 | |
| various | Cisco Sys Inc | | | 6,250 | | 141,241.16 | 141,241.16 | |
| 05/01/07 | Coca Cola Co | | | 3,800 | | 92,503.30 | 92,503.30 | |
| various | Con-Way Inc | | | 4,175 | | 134,809.44 | 134,809.44 | |
| various | Covidien PLC | | | 2,637 | | 104,837.44 | 104,837.44 | |
| various | EQT Corp | | | 2,375 | | 113,226.02 | 113,226.02 | |
| various | Emerson Elec Co | | | 1,650 | | 65,279.20 | 65,279.20 | |
| various | Express Inc | | | 6,000 | | 105,738.58 | 105,738.58 | |
| various | Exxon Mobil Corp | | | 1,365 | | 107,053.40 | 107,053.40 | |
| various | General Electric Co | | | 6,650 | | 136,915.55 | 136,915.55 | |
| various | Gentex Corp | | | 5,000 | | 108,334.00 | 108,334.00 | |
| various | HSBC Hldgs PLC ADR | | | 2,500 | | 116,780.45 | 116,780.45 | |
| various | Hanesbrands Inc | | | 2,625 | | 65,144.01 | 65,144.01 | |
| various | Hess Corp | | | 3,900 | | 204,772.20 | 204,772.20 | |
| various | Illinois Tool Wks Inc | | | 1,865 | | 93,759.04 | 93,759.04 | |
| various | International Business Machs | | | 520 | | 54,331.61 | 54,331.61 | |
| various | International Flavors & Fragra | | | 1,750 | | 80,775.91 | 80,775.91 | |
| various | Kimberly Clark Corp | | | 925 | | 56,745.30 | 56,745.30 | |
| various | MDU Res Group Inc | | | 5,175 | | 130,579.94 | 130,579.94 | |
| various | McDonalds Corp | | | 605 | | 43,681.64 | 43,681.64 | |
| various | MetLife Inc | | | 5,525 | | 220,343.72 | 220,343.72 | |
| various | Microsoft Corp | | | 4,900 | | 130,626.22 | 130,626.22 | |
| various | News Corp | | | 6,050 | | 106,148.77 | 106,148.77 | |
| various | Noble Corporation Baar | | | 4,875 | | 167,859.39 | 167,859.39 | |
| 08/23/11 | ProAssurance Corp | | | 675 | | 45,823.12 | 45,823.12 | |
| various | Qualcomm Inc | | | 2,525 | | 157,967.95 | 157,967.95 | |
| various | Republic Svcs Inc | | | 4,450 | | 120,754.96 | 120,754.96 | |
| various | Staples Inc | | | 4,050 | | 77,449.08 | 77,449.08 | |
| various | Thermo Fisher Scientific Inc | | | 3,405 | | 139,363.79 | 139,363.79 | |
| various | Valassis Communications Inc | | | 4,400 | | 104,440.10 | 104,440.10 | |
| 05/01/07 | Viacom Inc New | | | 1,625 | | 61,597.65 | 61,597.65 | |
| various | Vodafone Group PLC New | | | 5,975 | | 132,873.00 | 132,873.00 | |
| various | WESCO Intl Inc | | | 1,475 | | 79,655.06 | 79,655.06 | |
| various | Western Un Co | | | 9,925 | | 167,626.31 | 167,626.31 | |
| Sub Total Equity Securities | | | | | | \$ 4,521,188.21 | \$ 4,521,188.21 | |

Hester Capital Management

| <u>Settled</u> | <u>Security</u> | <u>Maturity</u> | <u>Coupon</u> | <u>Par</u> | <u>Price</u> | <u>Cost</u> | <u>Book Value</u> | <u>Accrued Interest</u> |
|--|---------------------------------------|-----------------|---------------|------------|--------------|-------------------------|-------------------------|-------------------------|
| <u>International Equity Securities</u> | | | | | | | | |
| 10/26/12 | Barclays Bk PLC IPMS India ETN | | | 800 | 57.14 | 45,708.16 | 45,708.16 | |
| various | Claymore ETF Tr Gugg Chn SmlCp | | | 2,000 | 25.23 | 50,468.28 | 50,468.28 | |
| various | Market Vectors ETF Tr Russia | | | 1,150 | 35.42 | 40,731.02 | 40,731.02 | |
| 10/27/11 | Market Vectors ETF Tr Vect Pol | | | 1,450 | 22.10 | 32,051.09 | 32,051.09 | |
| various | PowerShares ETF Tr GldDg China | | | 3,750 | 25.77 | 96,638.92 | 96,638.92 | |
| various | iShares Inc MSCI Australia Index Fund | | | 4,000 | 24.29 | 97,179.83 | 97,179.83 | |
| various | iShares Inc MSCI Austria Inv | | | 4,650 | 20.61 | 95,859.28 | 95,859.28 | |
| various | iShares Inc MSCI Germany Index Fund | | | 1,500 | 21.66 | 32,485.05 | 32,485.05 | |
| various | iShares Inc MSCI Hong Kong Index Fund | | | 6,950 | 18.37 | 127,702.70 | 127,702.70 | |
| various | iShares Inc MSCI Israel Fd | | | 2,200 | 52.49 | 115,476.35 | 115,476.35 | |
| 04/26/12 | iShares Inc MSCI Japan Idx Fd | | | 3,400 | 9.68 | 32,913.02 | 32,913.02 | |
| 07/08/11 | iShares Inc MSCI Nethr Inves | | | 1,200 | 21.69 | 26,032.92 | 26,032.92 | |
| various | iShares Inc MSCI S Korea Index | | | 1,900 | 53.82 | 102,259.28 | 102,259.28 | |
| various | iShares Inc MSCI Sweden Index Fd | | | 3,200 | 29.70 | 95,040.40 | 95,040.40 | |
| various | iShares Inc MSCI Switzerland Idx Fd | | | 1,750 | 25.74 | 45,038.59 | 45,038.59 | |
| various | iShares Inc MSCI Taiwan Index | | | 7,400 | 13.61 | 100,711.86 | 100,711.86 | |
| various | iShares Tr FTSE China 25 Index | | | 1,500 | 40.48 | 60,723.33 | 60,723.33 | |
| Sub Total International Equity Securities | | | | | | \$ 1,197,020.08 | \$ 1,197,020.08 | |
| Cash & Equivalents | | | | | | | | |
| Goldman Sachs Federal Pref | | | | | | \$ 864,184.63 | \$ 864,184.63 | |
| Total Endowment Portfolio | | | | | | \$ 10,610,598.33 | \$ 10,608,358.30 | \$ 52,334.24 |

**Hester Capital
Endowment Portfolio**

TEXAS WOMAN'S UNIVERSITY
Comparison of Market Values
For the period ending
November 30, 2012

| Security | Maturity Date | End of Period | | | End of Period | | | 8/31/2012 to 11/30/2012 Mrkt Chg |
|--|---------------|------------------------|------------------------|----------------------|------------------------|-------------------------|----------------------|----------------------------------|
| | | 8/31/2012 Book Value | 8/31/2012 Market Value | Unrealized Gain/Loss | 11/30/2012 Book Value | 11/30/2012 Market Value | Unrealized Gain/Loss | |
| Debt Securities | | | | | | | | |
| Bank of New York Mellon | 11/01/12 | 100,023.93 | 100,709.90 | 685.97 | - | - | - | (685.97) |
| General Electric | 02/01/13 | 49,668.58 | 50,919.80 | 1,251.22 | 49,864.61 | 50,360.25 | 495.64 | (755.58) |
| Wal Mart Stores | 02/03/14 | 99,957.81 | 103,607.30 | 3,649.49 | 99,965.07 | 103,127.00 | 3,161.93 | (487.56) |
| J.P. Morgan Chase | 06/01/14 | 50,000.00 | 53,188.05 | 3,188.05 | 50,000.00 | 52,805.10 | 2,805.10 | (382.95) |
| Coca-Cola Enterprise | 03/01/15 | 124,717.63 | 136,264.62 | 11,546.99 | 124,744.49 | 134,485.25 | 9,740.76 | (1,806.23) |
| Emerson Electric | 04/15/15 | 50,331.51 | 54,495.80 | 4,164.29 | 50,301.36 | 54,049.50 | 3,748.14 | (416.15) |
| Caterpillar Inc. (N/C) | 06/26/15 | 120,600.17 | 121,190.04 | 589.87 | 120,547.56 | 120,814.20 | 266.64 | (323.23) |
| General Electric Capital Corp (N/C) | 07/02/15 | 100,206.30 | 101,754.10 | 1,547.80 | 100,188.51 | 101,426.10 | 1,237.59 | (310.21) |
| Hewlett-Packard Co | 03/01/17 | 99,547.70 | 110,951.50 | 11,403.80 | 99,569.98 | 106,191.60 | 6,621.62 | (4,782.18) |
| Wells Fargo & Company Medium Term | 05/08/17 | 100,443.80 | 103,264.60 | 2,820.80 | 100,421.21 | 103,722.10 | 3,300.89 | 480.09 |
| Cisco Systems Inc | 02/15/19 | 174,015.30 | 208,948.60 | 34,933.30 | 174,047.70 | 208,346.25 | 34,298.55 | (634.75) |
| Unilever Capital Corp | 02/15/19 | 149,923.36 | 177,633.60 | 27,710.24 | 149,925.90 | 176,365.35 | 26,439.45 | (1,270.79) |
| Corpus Christi, TX Utility Sys Rev (call | 07/15/29 | 111,477.44 | 113,830.00 | 2,352.56 | 111,358.31 | 116,174.00 | 4,815.69 | 2,463.13 |
| University of Texas | 07/01/30 | 199,500.00 | 210,584.00 | 11,084.00 | 199,500.00 | 209,166.00 | 9,666.00 | (1,418.00) |
| Alamo Community College | 08/15/32 | 52,936.38 | 54,881.50 | 1,945.12 | 52,913.00 | 55,537.50 | 2,624.50 | 679.38 |
| Texas St Trans | 04/01/33 | 51,822.76 | 54,224.50 | 2,401.74 | 51,808.79 | 54,889.00 | 3,080.21 | 678.47 |
| Tomball, TX ISD | 02/15/34 | 103,823.05 | 109,405.00 | 5,581.95 | 103,795.10 | 112,471.00 | 8,675.90 | 3,093.95 |
| Tarrant Co., TX | 09/01/35 | 103,678.82 | 106,352.00 | 2,673.18 | 103,653.52 | 110,613.00 | 6,959.48 | 4,286.30 |
| Reading, PA (Taxable) | 11/15/15 | 101,251.56 | 110,549.00 | 9,297.44 | 101,160.72 | 109,602.00 | 8,441.28 | (856.16) |
| Texas State G.O. Pub. Fin. Auth | 10/01/18 | 104,986.58 | 108,624.00 | 3,637.42 | 104,794.01 | 108,341.00 | 3,546.99 | (90.43) |
| Texas State G.O. Pub. Fin. Auth | 10/01/19 | 105,486.15 | 109,951.00 | 4,464.85 | 105,308.11 | 109,754.00 | 4,445.89 | (18.96) |
| Arlington, TX | 02/15/26 | 100,000.00 | 111,129.00 | 11,129.00 | 100,000.00 | 110,910.00 | 10,910.00 | (219.00) |
| Jacksonville, TX ISD QSCB | 02/15/26 | 100,000.00 | 109,573.00 | 9,573.00 | 100,000.00 | 109,338.00 | 9,338.00 | (235.00) |
| San Antonio, TX ISD PSF-GTD BABS | 08/15/26 | 122,128.06 | 121,783.00 | (345.06) | 121,819.91 | 121,162.00 | (657.91) | (312.85) |
| Flatonia, TX ISD | 08/15/27 | 100,000.00 | 105,440.00 | 5,440.00 | 100,000.00 | 105,302.00 | 5,302.00 | (138.00) |
| University of Houston | 02/15/30 | 104,772.86 | 104,512.00 | (260.86) | 104,726.53 | 104,462.00 | (264.53) | (3.67) |
| Atlanta, TX ISD BAB | 08/15/30 | 102,220.82 | 107,082.00 | 4,861.18 | 102,201.28 | 106,887.00 | 4,685.72 | (175.46) |
| San Antonio, TX ISD PSF BAB | 08/15/31 | 101,010.91 | 119,067.00 | 18,056.09 | 101,003.66 | 118,540.00 | 17,536.34 | (519.75) |
| Irving, TX ISD BAB | 02/15/35 | 105,645.82 | 111,976.00 | 6,330.18 | 105,612.01 | 111,488.00 | 5,875.99 | (454.19) |
| Round Rock, TX | 08/01/35 | 105,821.76 | 118,099.00 | 12,277.24 | 105,789.96 | 117,451.00 | 11,661.04 | (616.20) |
| Austin, TX Community College | 02/01/36 | 158,840.91 | 161,673.00 | 2,832.09 | 158,792.85 | 161,011.50 | 2,218.65 | (613.44) |
| FHLB Multi-Step Cpn 313380R74 | 10/09/20 | - | - | - | 200,000.00 | 200,146.20 | 146.20 | 146.20 |
| FHLB Multi-Step Cpn 3133794N6 | 04/25/22 | 100,000.00 | 101,083.40 | 1,083.40 | 100,000.00 | 101,103.90 | 1,103.90 | 20.50 |
| FNMA Multi-Step Cpn 3136G0G54 | 09/27/27 | - | - | - | 150,000.00 | 150,055.05 | 55.05 | 55.05 |
| FNMA #725419 | 10/01/33 | 138,343.00 | 150,079.30 | 11,736.30 | 122,026.23 | 131,883.74 | 9,857.51 | (1,878.79) |
| FNMA 3136G0HN4 | 05/21/27 | 100,000.00 | 100,161.60 | 161.60 | - | - | - | (161.60) |
| GNMA | 11/20/39 | 198,750.00 | 228,548.00 | 29,798.00 | 198,750.00 | 229,316.00 | 30,566.00 | 768.00 |
| Panhandle-Plains Higher Education Au | 07/01/24 | - | - | - | 101,375.00 | 101,031.00 | (344.00) | (344.00) |
| Sub Total Debt Securities | | \$ 3,791,932.97 | \$ 4,051,535.21 | \$ 259,602.24 | \$ 4,025,965.38 | \$ 4,278,327.59 | \$ 252,362.21 | \$ (7,240.03) |

**Hester Capital
Endowment Portfolio**

TEXAS WOMAN'S UNIVERSITY
Comparison of Market Values
For the period ending
November 30, 2012

| Security | Maturity Date | End of Period | | | End of Period | | | 8/31/2012 to 11/30/2012 Mrkt Chg |
|---|---------------|----------------------|------------------------|----------------------|-----------------------|-------------------------|----------------------|----------------------------------|
| | | 8/31/2012 Book Value | 8/31/2012 Market Value | Unrealized Gain/Loss | 11/30/2012 Book Value | 11/30/2012 Market Value | Unrealized Gain/Loss | |
| Equity Securities | | | | | | | | |
| AECOM Technology Corp | | 160,226.53 | 122,641.75 | (37,584.78) | 157,693.30 | 140,622.75 | (17,070.55) | 20,514.23 |
| Accenture Ltd Bermuda CI A | | 65,392.87 | 110,880.00 | 45,487.13 | 59,035.23 | 110,370.00 | 51,334.77 | 5,847.64 |
| Affiliated Managers Group | | 88,263.80 | 114,679.50 | 26,415.70 | 88,263.80 | 125,648.25 | 37,384.45 | 10,968.75 |
| Amdocs Ltd | | 68,574.73 | 72,540.00 | 3,965.27 | 68,574.73 | 75,285.00 | 6,710.27 | 2,745.00 |
| Apache Corp. | | 163,149.91 | 157,780.00 | (5,369.91) | 163,149.91 | 141,845.60 | (21,304.31) | (15,934.40) |
| Baker Hughes | | 167,610.44 | 142,500.00 | (25,110.44) | 167,610.44 | 134,843.75 | (32,766.69) | (7,656.25) |
| Chevron Corp New | | - | - | - | 54,990.13 | 55,487.00 | 496.87 | 496.87 |
| CVS Corp. | | 92,833.36 | 133,233.75 | 40,400.39 | 92,833.36 | 136,041.75 | 43,208.39 | 2,808.00 |
| Cisco Sys Inc. Common | | 141,241.16 | 119,250.00 | (21,991.16) | 141,241.16 | 118,187.50 | (23,053.66) | (1,062.50) |
| Coca-Cola | | 92,503.30 | 142,120.00 | 49,616.70 | 92,503.30 | 144,096.00 | 51,592.70 | 1,976.00 |
| Con-Way Inc | | 107,893.39 | 100,023.00 | (7,870.39) | 134,809.44 | 117,275.75 | (17,533.69) | (9,663.30) |
| Covidien Ltd. | | 143,599.86 | 202,452.60 | 58,852.74 | 104,837.44 | 153,236.07 | 48,398.63 | (10,454.11) |
| EQT Corporation | | 114,417.87 | 129,504.00 | 15,086.13 | 113,226.02 | 142,642.50 | 29,416.48 | 14,330.35 |
| Emerson Electric Co. | | 57,756.02 | 76,080.00 | 18,323.98 | 65,279.20 | 82,879.50 | 17,600.30 | (723.68) |
| Express Inc | | 105,738.58 | 93,660.00 | (12,078.58) | 105,738.58 | 89,580.00 | (16,158.58) | (4,080.00) |
| Exxon Mobil Corporation | | 109,014.09 | 121,347.00 | 12,332.91 | 107,053.40 | 120,311.10 | 13,257.70 | 924.79 |
| General Electric Co. | | 161,622.11 | 162,573.50 | 951.39 | 136,915.55 | 140,514.50 | 3,598.95 | 2,647.56 |
| Gentex Corp | | 108,334.00 | 87,600.00 | (20,734.00) | 108,334.00 | 88,750.00 | (19,584.00) | 1,150.00 |
| HSBC Holdings PLC | | 135,465.32 | 126,527.00 | (8,938.32) | 116,780.45 | 127,825.00 | 11,044.55 | 19,982.87 |
| Hanesbrands Inc. | | 65,144.01 | 85,128.75 | 19,984.74 | 65,144.01 | 94,762.50 | 29,618.49 | 9,633.75 |
| Hess Corp | | 202,130.80 | 194,540.50 | (7,590.30) | 204,772.20 | 193,479.00 | (11,293.20) | (3,702.90) |
| Illinois Tool Works | | 93,759.04 | 110,575.85 | 16,816.81 | 93,759.04 | 114,828.05 | 21,069.01 | 4,252.20 |
| Ingram Micro Inc | | 124,691.72 | 107,806.20 | (16,885.52) | - | - | - | 16,885.52 |
| Intel Corp | | 93,592.84 | 111,114.25 | 17,521.41 | - | - | - | (17,521.41) |
| International Business Machines | | 54,331.61 | 101,322.00 | 46,990.39 | 54,331.61 | 98,836.40 | 44,504.79 | (2,485.60) |
| International Flavors & Fragrances Inc. | | 85,391.67 | 111,962.00 | 26,570.33 | 80,775.91 | 113,802.50 | 33,026.59 | 6,456.26 |
| Kimberly-Clark Corporation | | 56,745.30 | 77,330.00 | 20,584.70 | 56,745.30 | 79,291.00 | 22,545.70 | 1,961.00 |
| MDU Resources Group, Inc. | | 120,772.91 | 101,823.75 | (18,949.16) | 130,579.94 | 107,226.00 | (23,353.94) | (4,404.78) |
| McDonalds Corp. | | 43,681.64 | 54,141.45 | 10,459.81 | 43,681.64 | 52,659.20 | 8,977.56 | (1,482.25) |
| MetLife | | 220,343.72 | 188,568.25 | (31,775.47) | 220,343.72 | 183,374.75 | (36,968.97) | (5,193.50) |
| Microsoft Corporation | | 130,626.22 | 151,018.00 | 20,391.78 | 130,626.22 | 130,413.50 | (212.72) | (20,604.50) |
| News Corp Ltd CI A Class A | | 106,148.77 | 141,509.50 | 35,360.73 | 106,148.77 | 149,072.00 | 42,923.23 | 7,562.50 |
| Noble Corp | | 167,859.39 | 185,932.50 | 18,073.11 | 167,859.39 | 168,138.75 | 279.36 | (17,793.75) |
| ProAssurance Corp | | 45,823.12 | 60,230.25 | 14,407.13 | 45,823.12 | 61,209.00 | 15,385.88 | 978.75 |
| Qualcomm Inc | | - | - | - | 157,967.95 | 160,640.50 | 2,672.55 | 2,672.55 |
| Republic Services Inc. | | 120,754.96 | 123,042.50 | 2,287.54 | 120,754.96 | 126,691.50 | 5,936.54 | 3,649.00 |
| Staples | | 77,449.08 | 44,226.00 | (33,223.08) | 77,449.08 | 47,385.00 | (30,064.08) | 3,159.00 |
| Thermo Fisher Scientific Inc. | | 139,363.79 | 195,276.75 | 55,912.96 | 139,363.79 | 216,387.75 | 77,023.96 | 21,111.00 |
| Valassis Communications | | 104,440.10 | 110,308.00 | 5,867.90 | 104,440.10 | 114,312.00 | 9,871.90 | 4,004.00 |
| Viacom Inc. | | 81,498.43 | 107,521.50 | 26,023.07 | 61,597.65 | 83,866.25 | 22,268.60 | (3,754.47) |
| Vodafone Group PLC | | 132,873.00 | 172,797.00 | 39,924.00 | 132,873.00 | 154,125.12 | 21,252.12 | (18,671.88) |
| WESCO International, Inc. | | 79,655.06 | 85,225.50 | 5,570.44 | 79,655.06 | 95,358.75 | 15,703.69 | 10,133.25 |
| Western Union Corp | | 145,055.64 | 143,081.25 | (1,974.39) | 167,626.31 | 125,154.25 | (42,472.06) | (40,497.67) |

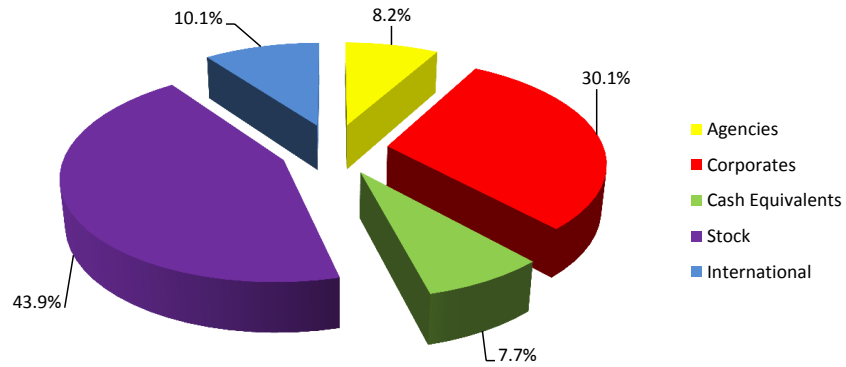
**Hester Capital
Endowment Portfolio**

TEXAS WOMAN'S UNIVERSITY
Comparison of Market Values
For the period ending
November 30, 2012

| Security | Maturity Date | End of Period | | | End of Period | | | 8/31/2012 to 11/30/2012 Mrkt Chg |
|--|---------------|-------------------------|-------------------------|----------------------|-------------------------|-------------------------|----------------------|----------------------------------|
| | | 8/31/2012 Book Value | 8/31/2012 Market Value | Unrealized Gain/Loss | 11/30/2012 Book Value | 11/30/2012 Market Value | Unrealized Gain/Loss | |
| International Equities | | | | | | | | - |
| Barclays Bk PLC IPMS India ETN | | - | - | - | 45,708.16 | 47,288.00 | 1,579.84 | 1,579.84 |
| Claymore ETF Tr Guggenheim China | | 24,536.88 | 15,016.00 | (9,520.88) | 50,468.28 | 45,020.00 | (5,448.28) | 4,072.60 |
| Market Vectors ETF Tr Vect | | 32,051.09 | 27,492.00 | (4,559.09) | 32,051.09 | 30,957.50 | (1,093.59) | 3,465.50 |
| Market Vectors Russia ETF Trust | | 40,731.02 | 31,107.50 | (9,623.52) | 40,731.02 | 32,016.00 | (8,715.02) | 908.50 |
| PowerShares Golden Dragon Halt USX China | | 96,638.92 | 67,800.00 | (28,838.92) | 96,638.92 | 69,112.50 | (27,526.42) | 1,312.50 |
| iShares Inc MSCI Australia Index Fund | | 97,179.83 | 93,880.00 | (3,299.83) | 97,179.83 | 99,880.00 | 2,700.17 | 6,000.00 |
| iShares Inc MSCI Austria | | 95,859.28 | 67,285.50 | (28,573.78) | 95,859.28 | 78,957.00 | (16,902.28) | 11,671.50 |
| iShares Inc MSCI Germany Index Fund | | 32,485.05 | 31,830.00 | (655.05) | 32,485.05 | 35,280.00 | 2,794.95 | 3,450.00 |
| iShares Inc MSCI Hong Kong Index Fund | | 127,702.70 | 118,080.50 | (9,622.20) | 127,702.70 | 132,814.50 | 5,111.80 | 14,734.00 |
| iShares Inc MSCI Israel Capped Investable | | 115,476.35 | 81,356.00 | (34,120.35) | 115,476.35 | 94,622.00 | (20,854.35) | 13,266.00 |
| iShares Inc MSCI Japan Index Fund | | 32,913.02 | 30,804.00 | (2,109.02) | 32,913.02 | 31,705.00 | (1,208.02) | 901.00 |
| iShares Inc MSCI Netherlands Investable Mk | | 26,032.92 | 21,840.00 | (4,192.92) | 26,032.92 | 23,628.00 | (2,404.92) | 1,788.00 |
| iShares Inc MSCI South Korea Index Fund | | 102,259.28 | 106,951.00 | 4,691.72 | 102,259.28 | 113,316.00 | 11,056.72 | 6,365.00 |
| iShares Inc MSCI Sweden | | 95,040.40 | 87,072.00 | (7,968.40) | 95,040.40 | 91,552.00 | (3,488.40) | 4,480.00 |
| iShares Inc MSCI Switzerland Index Fund | | 45,038.59 | 41,597.50 | (3,441.09) | 45,038.59 | 45,797.50 | 758.91 | 4,200.00 |
| iShares MSCI Inc Taiwan | | 100,711.86 | 93,684.00 | (7,027.86) | 100,711.86 | 100,344.00 | (367.86) | 6,660.00 |
| iShares Tr Index FTSE China 25 Index | | 60,723.33 | 49,605.00 | (11,118.33) | 60,723.33 | 55,725.00 | (4,998.33) | 6,120.00 |
| Sub Total Equity Securities | | \$ 5,701,150.68 | \$ 5,945,274.85 | \$ 244,124.17 | \$ 5,718,208.29 | \$ 6,044,470.79 | \$ 326,262.50 | \$ 82,138.33 |
| Cash and Cash Equivalents | | | | | | | | |
| Goldman Sachs Prime | | \$ 902,001.84 | \$ 902,001.84 | - | \$ 864,184.63 | \$ 864,184.63 | - | - |
| TOTAL ENDOWMENT PORTFOLIO | | \$ 10,395,085.49 | \$ 10,898,811.90 | \$ 503,726.41 | \$ 10,608,358.30 | \$ 11,186,983.01 | \$ 578,624.71 | \$ 74,898.30 |

**Texas Woman's University Endowments
Diversification by Market Sector
As of
November 30, 2012**

BASED ON MARKET VALUE



BASED ON BOOK VALUE

