

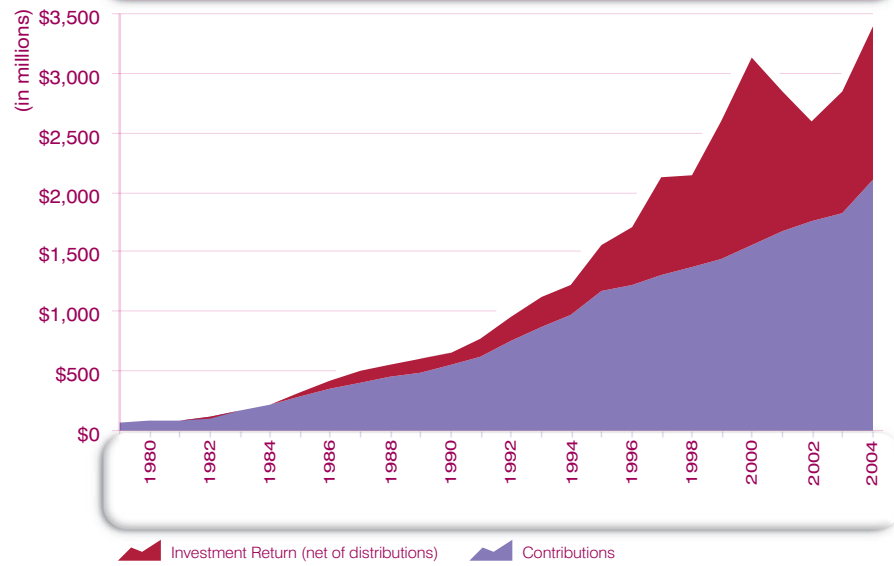
Ownership of Long Term Fund

August 31, 2004	Accounts	Value (in millions)
UT System Administration	66	\$ 14.5
Benefit of Multiple Components	5	4.4
UT Arlington	221	38.3
UT Austin	3,588	1,771.4
UT Dallas	90	133.9
UT El Paso	429	85.0
UT Pan American	65	19.0
UT Brownsville	47	4.8
UT Permian Basin	73	11.7
UT San Antonio	187	28.3
UT Tyler	132	44.8
UT Southwestern Medical Center at Dallas	385	510.2
UT Medical Branch at Galveston	464	239.2
UT Health Science Center at Houston	260	73.5
UT Health Science Center at San Antonio	202	74.5
UT M. D. Anderson Cancer Center	286	243.3
UT Health Center at Tyler	36	6.8
Medical Liability Fund	1	89.7
<b>Total</b>	<b>6,537</b>	<b>\$ 3,393.3</b>

Fig. A: Financial Highlights

Years Ended August 31,	2000	2001	2002	2003	(in millions) 2004
Beginning Net Asset Value	\$ 2,602.3	\$ 3,136.2	\$ 2,843.3	\$ 2,595.1	\$ 2,839.8
Contributions (Net of Withdrawals)	109.7	113.2	89.3	59.6	276.5
Net Investment Return	539.4	(278.8)	(202.7)	329.0	435.0
Distributions (Payout)	(115.2)	(127.3)	(134.8)	(143.9)	(158.0)
<b>Ending Net Asset Value</b>	<b>\$ 3,136.2</b>	<b>\$ 2,843.3</b>	<b>\$ 2,595.1</b>	<b>\$ 2,839.8</b>	<b>\$ 3,393.3</b>

## Fig. B: Long Term Fund Growth 1979-2004



## Fig. C: Asset Allocation

Asset Class	Actual as of August 31, 2004	Target
Cash and Cash Equivalents	2.2%	0.0%
U.S. Equities	27.0%	25.0%
Global Equities	18.7%	17.0%
Equity Hedge Funds	8.5%	10.0%
Absolute Return	13.7%	15.0%
Commodities	4.8%	3.0%
Fixed Income	15.2%	15.0%
Private Capital	9.9%	15.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

**Fig. D: Benchmark Comparison**

Asset Class	Actual Net Investment Return	Benchmark Return	Benchmark
Cash and Cash Equivalents	1.1%	1.1%	90 Day T-Bills Average Yield
U.S. Equities	13.3%	14.9%	80% Russel 3000 Index plus 20% Dow Jones Wilshire Associates Real Estate Securities Index
Global Equities	19.6%	22.7%	Morgan Stanley Capital International - All Country World Free ex U.S.
Equity Hedge Funds	8.0%	5.2%	90 Day T-Bills Average Yield plus 4%
Absolute Return	13.0%	4.5%	90 Day T-Bills Average Yield plus 3%
Commodities	24.4%	23.9%	Goldman Sachs Commodity Index minus 100 basis points
Fixed Income	9.6%	6.8%	66.7% Lehman Brothers Aggregate Bond Index plus 33.3% Lehman Brothers US Treasury Inflation Protected Securities
Total Marketable Securities	15.1%	12.4%	
Private Capital	12.1%	17.6%	Venture Economics' Periodic IRR Index
<b>Total</b>	<b>14.8%</b>	<b>13.2%</b>	

**Fig. E: Change in Purchasing Power**

For the periods ended August 31, 2004

Annual Average	One Year	Five Years	Ten Years
Net Investment Return	14.59%	5.74%	10.24%
Less:			
Inflation Rate	2.65%	2.55%	2.44%
Distribution Rate	5.05%	4.77%	4.63%
<b>Change in Purchasing Power</b>	<b>6.89%</b>	<b>(1.58%)</b>	<b>3.17%</b>

**Fig. F: Ratio of Expenses to Average Net Assets**

	2000	2001	2002	2003	2004
UTIMCO Management Fee	0.07%	0.06%	0.08%	0.12%	0.09%
External Managers & Other Service Providers Fees <sup>(1)</sup>	0.24%	0.15%	0.20%	0.17%	0.24%
	0.31%	0.21%	0.28%	0.29%	0.33%
Fee for Endowment Compliance	0.00%	0.00%	0.09%	0.09%	0.07%
Fee for Educational Purposes	0.02%	0.02%	0.02%	0.02%	0.02%
	0.02%	0.02%	0.11%	0.11%	0.09%
<b>Total</b>	<b>0.33%</b>	<b>0.23%</b>	<b>0.39%</b>	<b>0.40%</b>	<b>0.42%</b>

<sup>(1)</sup> Fees incurred by limited partnerships and fees incurred by mutual fund and hedge fund managers are not included in these totals. These fees are netted against returns for those investments in accordance with standard industry practice.