

FIG. A INVESTMENT RETURNS

Endowment Funds	(in millions)	Annual Returns for Periods Ended August 31, 2007			
	Net Asset Value August 31, 2007	One Year	Three Years	Five Years	Ten Years
Permanent University Fund	\$ 11,743	15.34%	15.06%	14.38%	9.09%
General Endowment Fund		15.90%	15.23%	14.65%	N/A
Permanent Health Fund	1,100	15.76%	15.12%	14.52%	N/A
Long Term Fund	5,333	15.76%	15.12%	14.54%	9.62%
Separately Invested Funds	211	N/A	N/A	N/A	N/A
Total Endowment Funds	\$ 18,387				

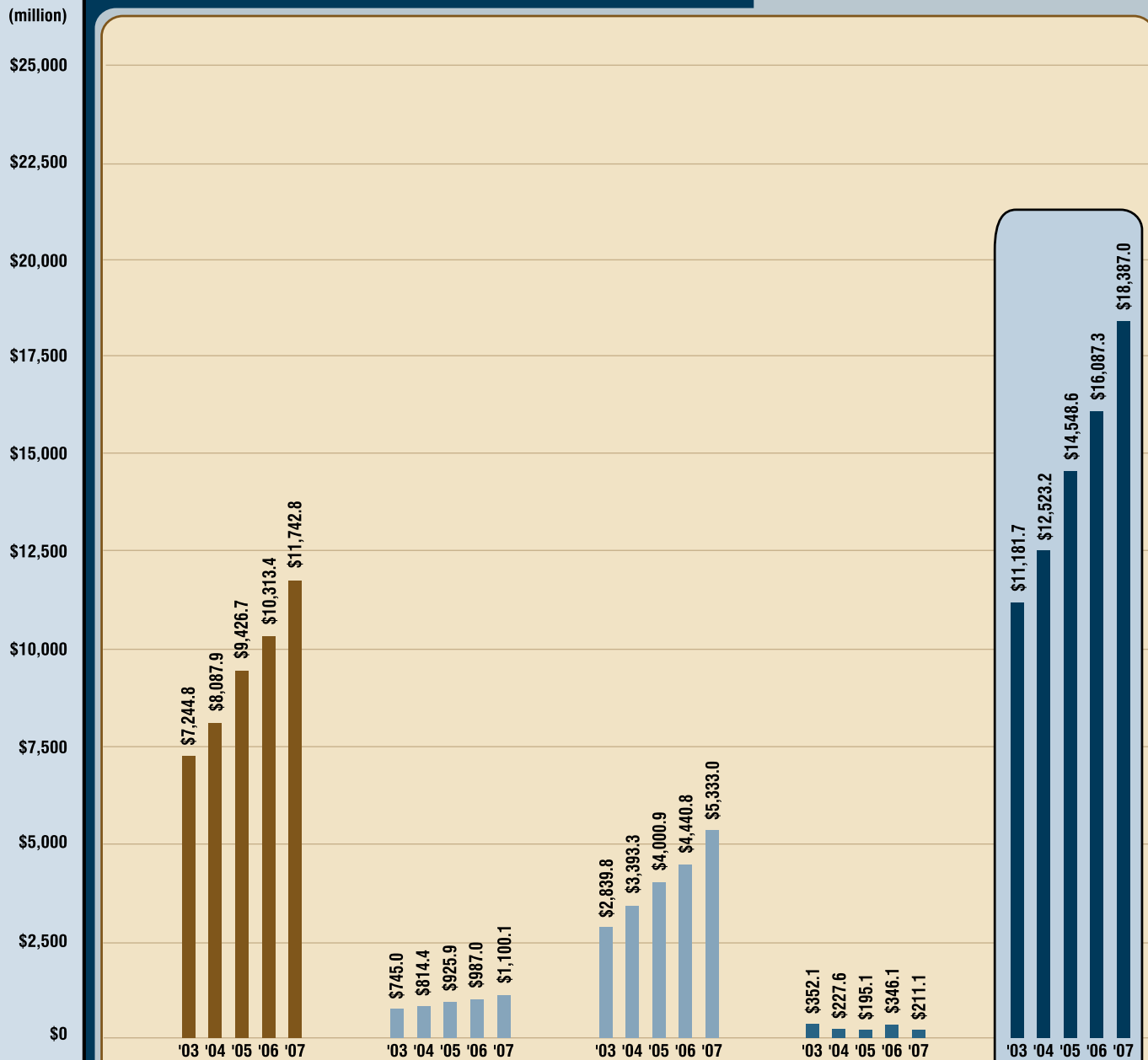
FIG. B PRESERVATION OF ENDOWMENT PURCHASING POWER

	Long Term Expected Annual Average
Rate of Investment Return	8.34%
Less:	
Expense Rate	0.35%
Inflation Rate	3.00%
Distribution Rate	4.75%
Increase in Purchasing Power	0.24%



FUNDS AT A GLANCE

ENDOWMENT FUNDS Net Asset Value (in millions) as of August 31,



Permanent University Fund
(\$11,742.8 million)

The Permanent University Fund (PUF) is a state endowment fund contributing to the support of 18 institutions and 6 agencies of The University of Texas System and The Texas A&M University System.

Permanent Health Fund
(\$1,100.1 million)

The Permanent Health Fund (PHF) is an internal UT System fund for the pooled investment of state endowment funds for health-related institutions of higher education, created August 30, 1999, with proceeds from state tobacco litigation. As of March 1, 2001, the PHF purchased units in the GEF in exchange for its contribution of investment assets.

Long Term Fund
(\$5,333.0 million)

The UT System Long Term Fund (LTF) is an internal UT System fund for the pooled investment of 8,005 privately raised endowments and other long-term funds benefiting the 15 institutions of the UT System. As of March 1, 2001, the LTF purchased units in the GEF in exchange for its contribution of investment assets.

Separately Invested Funds
(\$211.1 million)

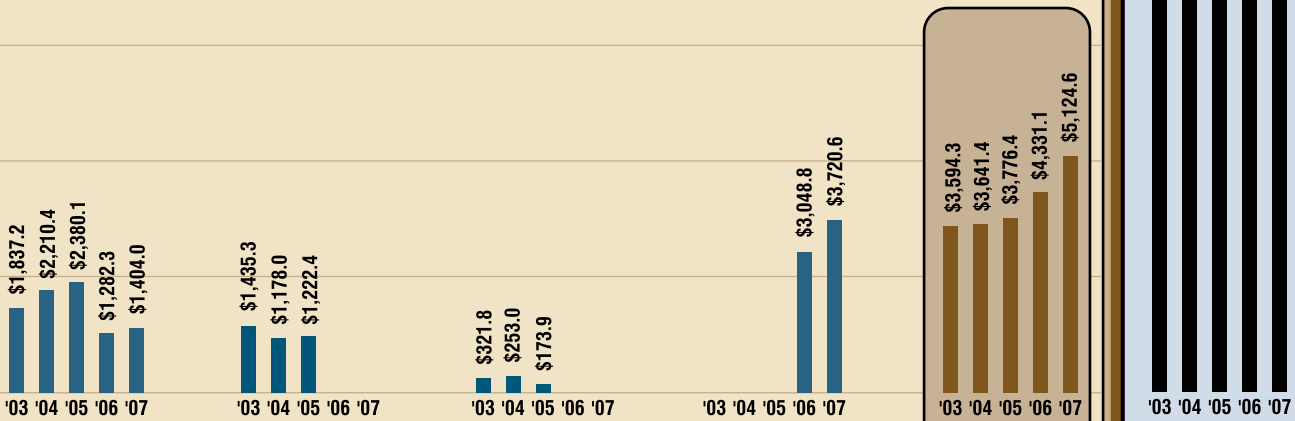
The UT System Separately Invested Funds (SIF) consist of approximately 240 privately raised endowments and charitable trusts where the nature of the underlying asset or donor restrictions preclude investment in the LTF.

Total Endowment Funds
(\$18,387.0 million)

General Endowment Fund

TOTAL FUNDS UNDER MANAGEMENT

OPERATING FUNDS Net Asset Value (in millions) as of August 31,



Short Term Fund (\$1,404.0 million)

The UT System Short Term Fund (STF) is a money market fund consisting of the working capital and other operating fund balances held by UT System institutions with an investment horizon of less than one year.

Short Intermediate Term Fund

The UT System Short Intermediate Term Fund (SITF) was an internal UT System fund for the pooled investment of the operating funds held by UT System institutions with an investment horizon between one and five years. The SITF was liquidated on January 31, 2006.

Institutional Index Funds

The Institutional Index Funds (IIF) consisted of a U.S. debt index fund and a U.S. equity index fund for the investment of UT System institutions' permanent working capital and long-term capital reserves. The IIF was liquidated on January 31, 2006.

Intermediate Term Fund (\$3,720.6 million)

The UT System Intermediate Term Fund (ITF) is an internal UT System fund for the collective investment of operating funds and other intermediate and long-term funds held by UT System institutions and UT System Administration. The ITF was created on February 1, 2006 to replace the SITF and IIF.

Total Operating Funds (\$5,124.6 million)

Total Funds Under Management (\$23,511.6 million)

