

FIG. A INVESTMENT RETURNS

Endowment Funds	(in millions) Net Asset Value August 31, 2008	Annual Returns for Periods Ended August 31, 2008			
		One Year	Three Years	Five Years	Ten Years
Permanent University Fund	\$ 11,359	(3.34)	7.41	11.05	8.20
General Endowment Fund		(3.09)	7.66	11.22	N/A
Permanent Health Fund	1,026	(3.14)	7.58	11.11	N/A
Long Term Fund	5,285	(3.13)	7.59	11.11	9.07
Separately Invested Fund	173	N/A	N/A	N/A	N/A
Total Endowment Funds	\$ 17,843				

FIG. B PRESERVATION OF ENDOWMENT PURCHASING POWER

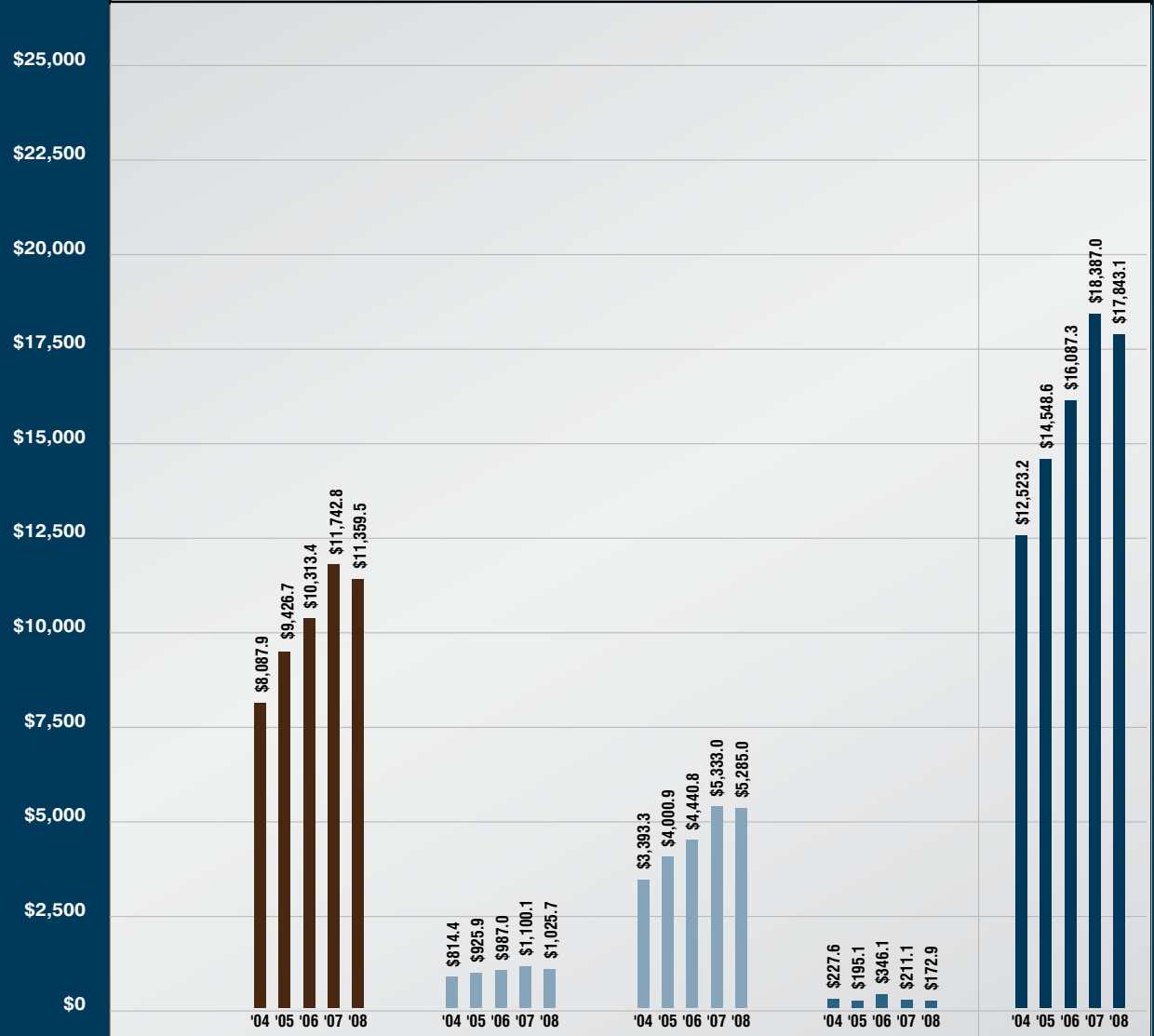
	Long Term Expected Annual Average
Rate of Investment Return	8.47%
Less:	
Expense Rate	0.40%
Inflation Rate	3.00%
Distribution Rate	4.75%
Increase in Purchasing Power	0.32%





FUNDS AT A GLANCE

(million)	ENDOWMENT FUNDS Net Asset Value (in millions) as of August 31,	TOTAL Endowment Funds
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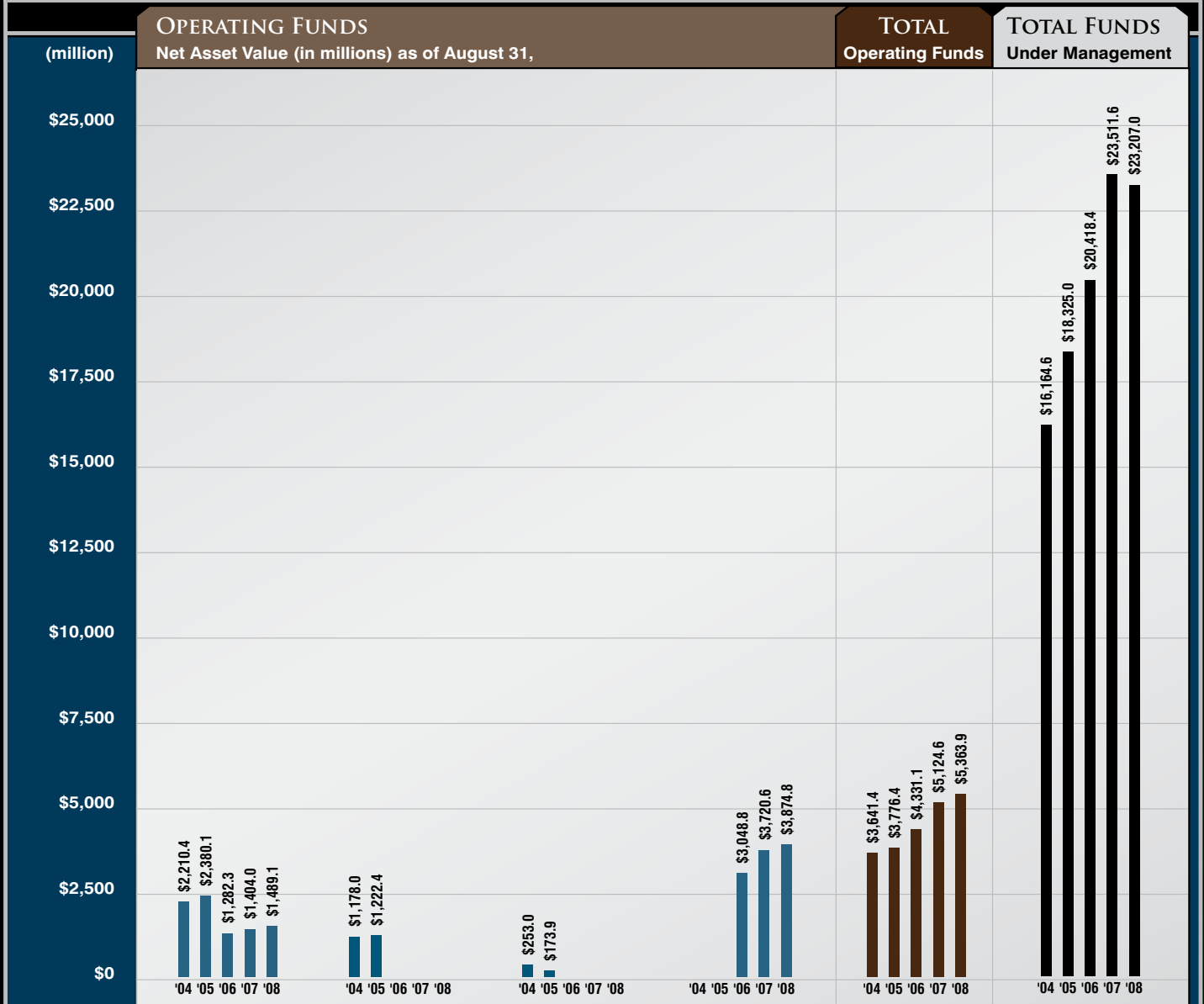


Permanent University Fund (\$11,359.5 million)	Permanent Health Fund (\$1,025.7 million)	Long Term Fund (\$5,285.0 million)	Separately Invested Funds (\$172.9 million)	Total Endowment Funds (\$17,843.1 million)
The Permanent University Fund (PUF) is a state endowment fund contributing to the support of 18 institutions and 6 agencies of The University of Texas System and The Texas A&M University System.	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.	The UT System Long Term Fund (LTF) is an internal UT System fund for the pooled investment of 8,502 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.	The UT System Separately Invested Funds (SIF) consist of approximately 243 privately raised endowments and charitable trusts where the nature of the underlying asset or donor restrictions preclude investment in the LTF.	
	General Endowment Fund			





FUNDS AT A GLANCE



Short Term Fund (\$1,489.1 million)	Short Intermediate Term Fund	Institutional Index Funds	Intermediate Term Fund (\$3,874.8 million)	Total Operating Funds (\$5,363.9 million)	Total Funds Under Management (\$23,207.0 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.	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.	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.	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.		

