

ANNUAL REPORT

2007



AN ENDURING
LEGACY

UTIMCO AT A GLANCE

- Created March 1996
- Created to manage the investment assets under the fiduciary care of the UT System Board of Regents
- \$24 billion under management
- First external investment management corporation formed by a public university
- Governed by a nine-member board appointed by the UT Board
- UTIMCO Board consists of three regents from the UT Board, Chancellor of UT System, and five independent investment professionals
- Day-to-day management responsibility for the investment assets is delegated to the UTIMCO staff
- UTIMCO staff of 48 includes specialists in accounting, finance, information technology, and administration as well as experienced and specialized investment professionals



TABLE OF CONTENTS

AN ENDURING LEGACY	3
FUND MANAGEMENT OVERVIEW	4
FUNDS AT A GLANCE	7
LETTER FROM THE EXECUTIVE MANAGEMENT	9
UTIMCO BOARD OF DIRECTORS	15
UT SYSTEM BOARD OF REGENTS	17
UT SYSTEM OFFICERS	17
UTIMCO SENIOR MANAGEMENT	18



UTIMCO'S MISSION

For our clients, UTIMCO will provide competitive, innovative and effective asset management and financial advisory services to our clients within The University of Texas and Texas A&M Systems.

For the community, UTIMCO accepts its responsibilities as the manager for the largest public endowment fund in the United States and will act as a leader to advance endowment fund management practices at both public and private endowments.

AN ENDURING LEGACY

"It is up to us to live up to the legacy that was left for us, and to leave a legacy that is worthy of our children and of future generations." — Christine Gregoire

Christine Gregoire's quote personifies The University of Texas System's efforts to build a legacy of giving that will endure through generations of students, scientists, doctors, teachers, researchers, and future stewards of educational and social philanthropy. On numerous fronts, efforts abound to evolve today's charitable contributions into future funding that will support the development of The University of Texas System's nine academic and six health institutions. This maturation from financial contribution to ever-expanding legacy can be seen across all campuses.

Across the State of Texas, gifts are being transformed into realized technical, social,

and scientific advances. While such charitable contributions help presently, they have also set in motion structured plans to allow their continued growth. This year, Texas businessman T. Boone Pickens historically donated a total of \$100 million to The University of Texas M. D. Anderson Cancer Center and The University of Texas Southwestern Medical Center at Dallas. In addition, a plan was developed to ensure its permanency and lasting benefit for years to come. Toward that goal, the gift must mature to one billion dollars before the funds will be used, a feat which not only holds great promise in the field of cancer research, but creates a continued legacy for all Texans.

At The University of Texas Pan American, a newly endowed scholarship established in memory of philanthropist, mother, and entrepreneur Margaret Canas-Cantu has flourished. In the early 1950's Cantu's contribution began when she spent her own money to create and sustain a small school for underprivileged children, which would later become the program now known as Head Start. Today Cantu's legacy continues to expand as her son has established the Margaret Canas-Cantu Endowed Memorial Scholarship, which will provide educational opportunities for years to come.

In hopes of continued generosity, it is the mission of The University of Texas System to persist in the advancement and growth of all charitable donations. While maintaining the value and benefit of these gifts is vital, it is perhaps the ultimate responsibility and goal of The University of Texas System to ensure these offerings cultivate a legacy of progress and possibilities for future generations.

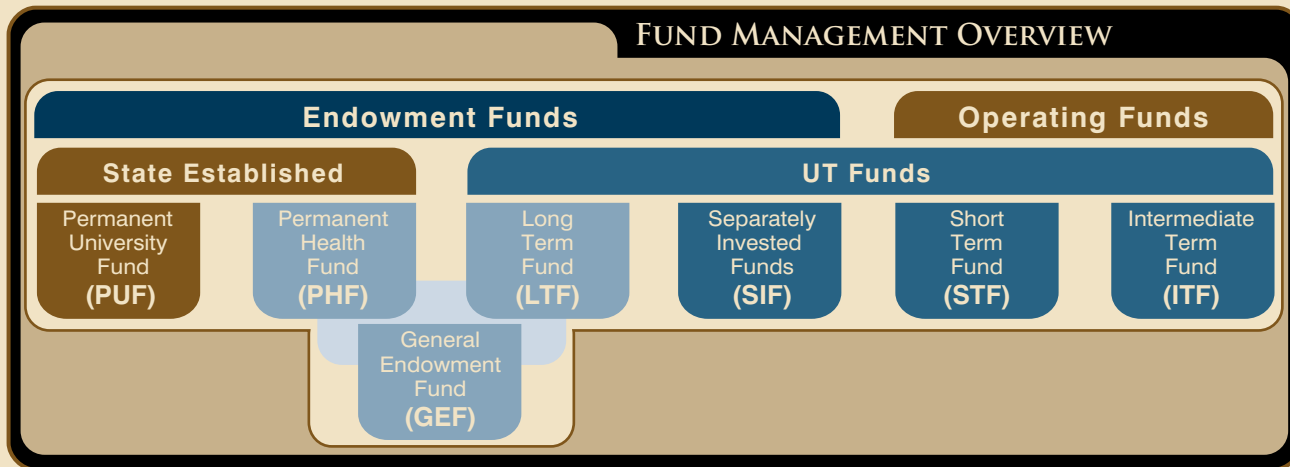
THE UNIVERSITY OF
TEXAS AT EL PASO



FUND MANAGEMENT OVERVIEW

The University of Texas Investment Management Company (UTIMCO) has managed the investment assets under the fiduciary care of the Board of Regents of The University of Texas System (UT Board) for over the past ten years. The UT Board has delegated investment management responsibility for all investments to UTIMCO, subject to compliance with UT Board approved investment policies.

UTIMCO invests the endowment and operating assets entrusted to its management primarily through internal mutual funds, each with distinct time horizons and unique risk and return characteristics. UTIMCO allocates the assets in the internal mutual funds to internally and externally managed portfolios in accordance with approved asset allocation policies.



ENDOWMENT FUNDS

UTIMCO manages four major endowment funds under the fiduciary care of the UT Board. These four endowment funds, with a combined market value of \$18,387 million, are the Permanent University Fund (PUF), the Permanent Health Fund (PHF), the Long Term Fund (LTF), and the Separately Invested Funds (SIF). Two of the endowment funds, the PHF and the LTF, are invested in shares of the General Endowment Fund (GEF), a broadly diversified pooled investment fund managed by UTIMCO. The GEF was created to increase efficiencies in managing investments, reduce costs, and streamline reporting.

Representing a permanent legacy, endowment funds provide the means to create a margin of excellence in higher education for UT System's institutions. Since endowment funds are permanent funds by their nature, they must provide for the economic needs of today while remaining intact to provide the same level of economic support for future generations, not just the next ten to twenty years, but hundreds

of years in the future. The trade-off between preserving assets for tomorrow and supporting the educational and health care needs of today creates the need for a delicate balancing act in managing the endowment funds.

Balancing the competing needs of current beneficiaries, future beneficiaries and donors is the motivating force behind UTIMCO's efforts to achieve the following two primary objectives:

1. Provide for current beneficiaries by increasing annual distributions at a rate at least equal to the current rate of inflation so that real purchasing power is maintained, and
2. Provide for future beneficiaries by increasing the market value of endowment assets (before adding any current contributions and after deducting current distributions) so that future distributions to future beneficiaries will buy the same or better level of goods and services received by today's beneficiaries.



THE UNIVERSITY OF TEXAS – PAN AMERICAN



These two primary objectives are inherently contradictory because higher annual distribution rates reduce the endowments' ability to grow over time. Ultimately, the UT Board resolves these conflicts by setting, with recommendations from UTIMCO, investment policies and distribution levels that balance the needs of current beneficiaries, future beneficiaries, and donors.

Four factors affect an endowment fund's ability to meet the conflicting needs of current and future beneficiaries. These factors are a) fund investment return, b) fund expenses, c) the rate of inflation, and d) fund distributions. An important element of UTIMCO's work is providing forecasts of how these four factors are likely to affect the future purchasing power of the endowment funds so that the UT Board can make its generational equity balancing decisions.

Investment Returns. Investment returns generated by the endowment funds are determined primarily by the allocation of fund assets to different classes of investments and by the ability of the UTIMCO staff to add value by earning returns greater than those generally available from each asset category. UTIMCO draws on years of investment experience and expertise to determine the best allocations to different categories of assets in order to achieve the returns necessary to meet objectives while protecting endowment assets from severe losses in an adverse market environment. Once allocation decisions are made, UTIMCO

focuses on earning the highest returns possible within each asset category while maintaining strict risk control through a quantitative risk budgeting process. **Figure A** shows the investment returns earned for periods ended August 31, 2007, which are a result of these asset allocation decisions and risk budgeting processes.

Expenses. UTIMCO incurs expenses associated with analysis, portfolio management, custody and safekeeping, accounting, and other investment related services. Investment fees and other fees paid to external managers are, by

far, the largest component of expenses. Fund expenses are paid from fund assets.

UTIMCO's management of \$24 billion of assets, including operating funds as well as endowment funds, provides for exceptional economies of scale in the management of the investment assets. The ratio of total investment expenses to assets under management was .24% for the year ended August 31, 2007.

Inflation. Inflation erodes the economic value of an endowment fund by reducing the endowment's purchasing power over time. Since UTIMCO has no control over the rate of inflation, endowment assets must be invested so as to maximize the total return after inflation. The long-term expected rate of inflation is 3.0%.

Endowment Fund Distributions (Spending). The UT Board determines the annual distributions from the endowments based on UTIMCO's recommendations. The key to preservation of endowment purchasing power over the long-term is control of spending through a target distribution rate. This target rate should not exceed the funds' average annual investment return minus fund expenses and inflation. The UT Board has approved two distinct forms of distribution or spending policies. One is the so-called "constant growth" spending policy, and the other is the "percent of assets" spending policy.

The PHF and LTF utilize the constant growth spending policy. The PHF and LTF distributions are increased annually at the

FIG. A INVESTMENT RETURNS

Endowment Funds	(in millions) Net Asset Value August 31, 2007	Annual Returns for Periods Ended 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				

average rate of inflation provided that the distribution rate remains within a range of 3.5% and 5.5% of fund asset value. This distribution policy accommodates current needs without sacrificing the needs of succeeding generations. The constant growth spending policy uses a smoothing formula to reduce annual volatility in spending and to maintain spending on a sustainable basis.

The PUF utilizes the percent of assets spending policy. The PUF's annual distributions are based on a distribution target of 4.75% of the PUF's three-year average net asset value. This policy has been chosen for the PUF because it is best for endowments in which the current distribution is small relative to the total budget, and where long-term growth of the fund is the

key objective, which are the characteristics of the PUF and its beneficiaries.

Based on the four factors above, it is obvious that preserving purchasing power is quite difficult and challenging. UTIMCO's past experience and current forecast for these factors are shown in **Figure B**.

Endowments require investment management in accordance with long-term investment objectives because of the perpetual nature of the funds. Recognizing that the investment environment will only become more challenging in the future, UTIMCO will meet the challenge by maintaining a specialized and experienced investment staff focused on adding value within a well-structured and disciplined asset allocation and risk control process.

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%

OPERATING FUNDS

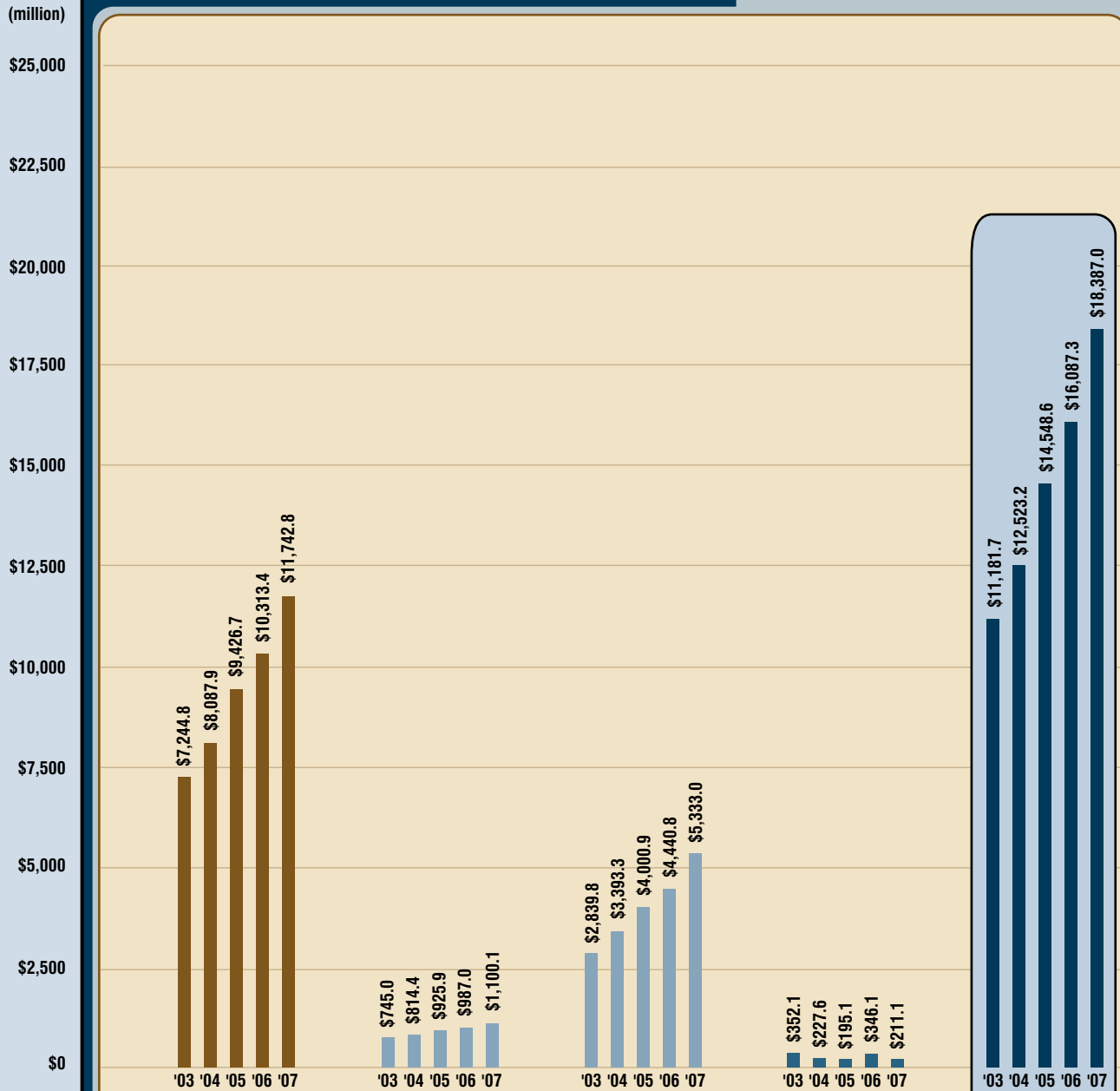
Operating funds are used primarily to fund UT System institutions' short-term operating needs as well as long-term institutional needs associated with capital programs, financial reserves, and endowment matching funds. The UT System institutions have two investment fund options, the Short Term Fund (STF) and the Intermediate Term Fund (ITF). The ITF was

established February 1, 2006, as a replacement for the Short Intermediate Term Fund and the Institutional Index Funds. The ITF was created to improve the efficiency of operating funds management and to improve investment returns on UT System operating reserves. As of August 31, 2007, operating funds of UT System institutions amounted to \$5,125 million.



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)

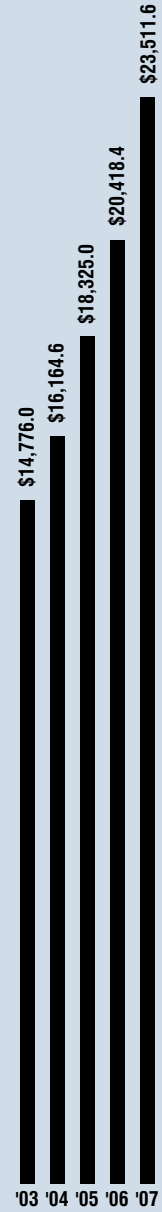
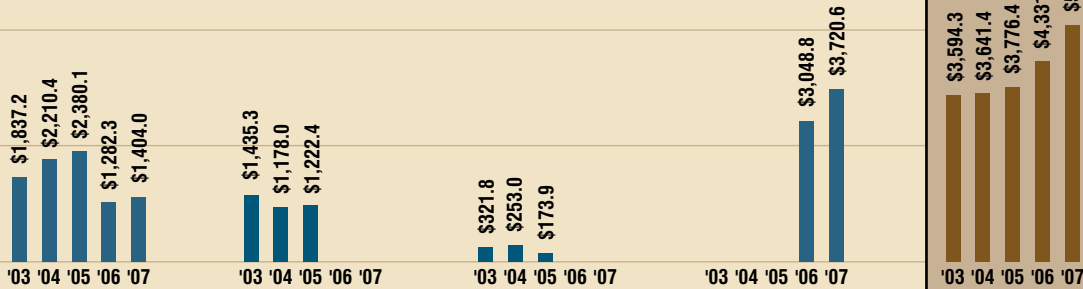
The UT System Separately Invested Funds (SIF) consist of approximately 240 privately raised endowments and charitable trusts where the nature of the underlying asset or donor restrictions preclude investment in the LTF.

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)



FUNDS AT A GLANCE

CATHY IBERG &
BRUCE ZIMMERMAN

LETTER FROM THE EXECUTIVE MANAGEMENT

*Bruce Zimmerman, Chief Executive Officer and Chief Investment Officer
Cathy Iberg, President and Deputy Chief Investment Officer*

Fiscal Year 2007

We are pleased to report strong investment returns for the fiscal year ended August, 2007.

The Permanent University Fund (the "PUF") earned 15.3% for the year and ended with \$11.7 billion of assets. The General Endowment Fund (the "GEF") earned 15.9% for the year and ended with \$6.4 billion of assets. The staff is particularly proud that these returns were 196 and 252 basis points, respectively, above their policy portfolio benchmarks which resulted in \$340 million of value added over the policy portfolio. Importantly, risk-adjusted returns were very strong and among the best for public and private endowments with assets of \$1 billion or greater, although it is the case that the absolute level of returns lagged other endowments that chose to take more risk.

The Intermediate Term Fund (the "ITF") returned 10.6% during the fiscal year, well ahead of its objective thereby creating \$175 million of value-add.

Fund Performance for Fiscal Year 2007

The PUF and GEF (together, the "Funds") assets remain approximately 40% invested in global public equities, with about half of this exposure in U.S. domiciled companies and a quarter each in non-U.S. developed countries and emerging market countries. During our fiscal year, the U.S. equity markets delivered a 15% return, the non-U.S. developed country markets returned 19% and emerging markets generated 44% returns. The Funds benefited from a slightly overweight position

in emerging markets relative to their policy portfolio benchmark. However, the value-add from the Funds' active managers in non-U.S. developed countries and emerging markets was disappointing. These are areas we will be focusing on in the coming year.

Approximately 25% of the Funds assets are invested in directional and absolute return hedge funds which produced investment returns of 16.2%, with relatively low volatility and low correlation with the underlying asset classes in which they are investing. The Funds' hedge fund portfolio performance was especially strong given that the average hedge fund across the industry produced only a 6.2% return during this period.

Fixed income investments – including nominal and real bonds across the maturity spectrum – are targeted at 15% of the Funds' assets. The Funds remained slightly underweight in these assets, as well as invested in durations shorter than the benchmarks. Altogether, the Funds' fixed income returns were close to the policy portfolio benchmark.

Private market investments including venture capital, buyouts, distressed and opportunistic strategies and energy-related

strategies totaled just over 10% of the Funds' investments, which was lower than the 15% policy portfolio target due to accelerated distributions. Private investments returned 28.6% for the year in the PUF and 31.9% for the year in the GEF, which surpassed the average returns for private investment funds by 5.3% and 8.6% respectively.

Finally, the Funds had approximately 8% of their assets invested in commodities and REITS. REIT returns were positive for the year, and our managers delivered positive performance versus their benchmarks. Commodity returns – largely driven by the price of oil – were negative for the year.

Intermediate Term Fund Performance for the Fiscal Year 2007

The ITF returned 10.6% during the fiscal year, well ahead of its 6.0% objective and well ahead of returns that would have been earned on cash-like investments. The ITF is invested similarly as the PUF and GEF, with the exclusion of private market investments and, as mentioned earlier, we are also pleased with the first full year's performance of the ITF. The ITF, which totaled over \$3.7 billion at the end

THE UNIVERSITY OF TEXAS AT BROWNSVILLE



THE UNIVERSITY OF
TEXAS AT ARLINGTON



of August, provided these higher returns while maintaining substantial liquidity.

While this level of returns cannot be guaranteed, we are optimistic about the ITF's ability to produce returns in excess of cash-like investment on a consistent basis.

The introduction and implementation of the ITF was smooth and seamless and much credit belongs to UT System personnel across the institutions for their vision and hard work.

2007 Market Overview and 2008 Market Outlook

As noted above, Fiscal Year 2007 capital markets provided an environment for strong returns. That said, the positive and relatively benign environment for the first ten and a half months of the fiscal year came to an abrupt halt in the second half of July.

Despite a string of rate increases on the part of the United States Federal Reserve System (the "Fed"), long rates remained stable resulting in a relatively flat yield curve hovering just under 5% through mid July. Fears of sub-prime mortgage losses and 'contagion' resulted in extremely volatile fixed income markets during the final 45 days of the fiscal year. Short-term U.S. Treasury yields plummeted and LIBOR skyrocketed. At the time of this writing, the Fed's easing appears to have calmed the fixed income markets, at least for now.

European fixed income markets were not dissimilar from the U.S. markets, although Japanese fixed income yields remained quite low in the face of continued anemic domestic economic growth. Emerging market fixed income spreads remained historically low as these economies appear to have transformed themselves from net borrowers to net lenders.

Riding on the benign fixed income markets, equity markets posted strong gains as economic expansion continued and inflation appeared tame. As mentioned above, the U.S. equity markets gained 15%, non-U.S. developed market equities increased 19% and emerging market equities returned a whopping 44% for the year. Private equity buyout activity was strong, generating healthy distributions through recapitalizations and sales while plentiful debt funded new investment activity. While the end of the fiscal year brought about an abrupt slowdown to private equity activity, the public equity markets staggered, but then recovered, and appear to be yet again reaching new heights.

Energy prices traded a bit down for the year (albeit arguably at high levels) while other commodities ranging from metals and minerals to agriculture and livestock continued their upward trend in the face of strong global demand and constrained supplies.

Conflicting cross-currents make the coming year a difficult one to predict. On a strategic level, the entrance of three billion participants in the world economy (e.g., China, India, Russia, etc.) is still in the early stages. This fundamental increase in productive capability, and consequently consumer demand, should propel

global economic growth forward. Countering this, the U.S. economy appears to be slowing as consumption in excess of production can only continue for so long before the party must wind down. Together with the aging populations in the U.S., Europe and Japan, and the continuing relative impediments to market competition in Europe and Japan, headwinds exist.

The depth and breadth of contractions in liquidity in certain markets, which was initiated by the sub-prime mortgage losses triggering a switch from 'greed' to 'fear' (more elegantly referred to as the 're-pricing of risk') – but being battled by the Fed's interest rate easing – remains to be seen.

Although the coming year is difficult to predict, the implications for UTIMCO appear clearer. We remain long term investors with a deep belief in a diversified portfolio. We remain committed to identifying and investing with the best fund managers across the globe. We believe volatility presents opportunities and continue to be opportunistic: looking to be cautious when others are not and to provide liquidity – at the right price and terms – when others will not.

Investment Strategy

UTIMCO enjoys a diversified and thoughtful investment strategy that includes exposures across a wide variety of asset classes and geographies, as well as prudent exposures in actively managed trading strategies and less-liquid private investments. As a result of investing in global capital markets and investing with the most skilled managers, UTIMCO has been able to produce excellent investment returns with responsibly managed risk.

As the world continues to evolve into a truly global marketplace with growth coming increasingly from outside the developed economies, our investment strategy is well positioned to benefit from these trends. As investment management techniques continue to evolve in sophistication and creativity, UTIMCO's staff is well qualified to identify and invest with the most talented practitioners.

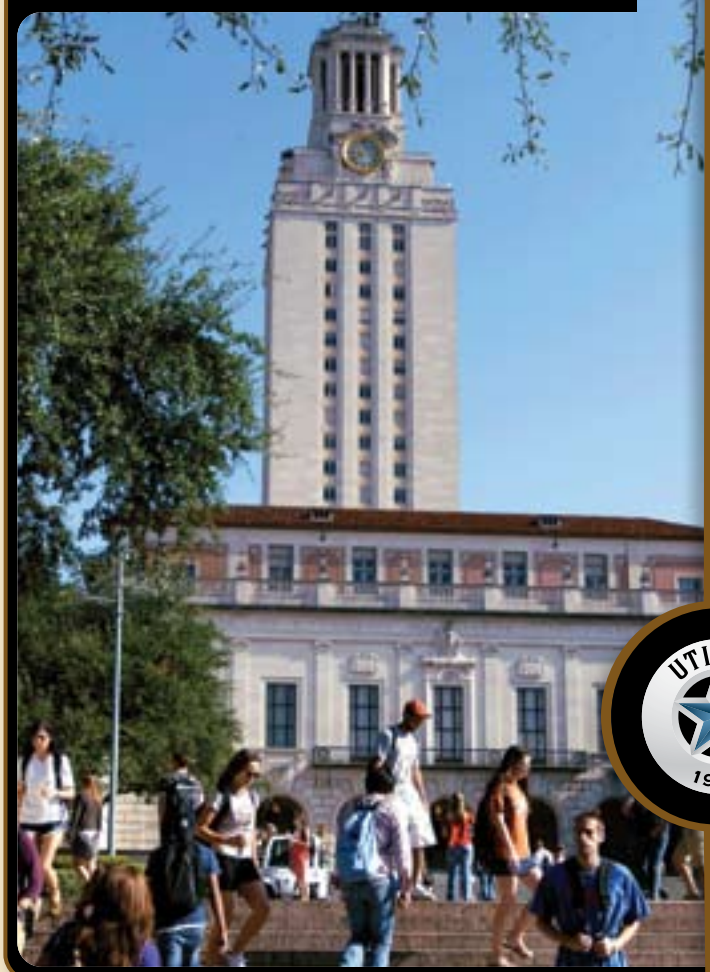
Our directional and absolute return hedge fund portfolios have consistently produced high

returns with low volatility. Given the diversified nature of the portfolios' assets, strategies and underlying managers, these investments should continue to play an important, positive role in the overall portfolio.

Our private market investments portfolio has also produced stellar returns and it also is well-diversified across strategy, vintage year and manager. As long-term investors, we are positioned to be rewarded for providing patient capital to venture, growth, buyout, and distressed opportunities.

Over the coming year, we are committed to pursuing opportunities in the emerging economies. We are also committed to working to put more capital to work in longer term investments in the natural resources supply chain. Finally, we are developing a long-term program to commit capital to private real estate equity funds.

THE UNIVERSITY OF TEXAS AT AUSTIN



Risk Management

UTIMCO employs a full range of risk management techniques in order to manage its investment portfolio.

We evaluate asset class exposures on a daily basis to measure actual versus policy positions and to ensure that we are within our minimum and maximum limits.

We also calculate the overall portfolio's risk (as measured by the probability of downside occurrences) on a monthly basis and follow policies detailing target, minimum and maximum risk limits.

We calculate our liquidity position to ensure that we are within policy-dictated limits. We also measure geographic, sector and company specific exposures.

We constantly monitor the managers we have invested with, including analysis of manager communications, regular phone calls and periodic meetings. We believe that this close communication with our managers is perhaps the key technique for monitoring and managing risk.

Support and Control Functions

UTIMCO is fortunate to have extremely strong support and control functions. We believe that our operations, administration and finance area is one of the best in the business. Our technology infrastructure is robust and dynamic. We hired an internal legal counsel and are in the process of bringing on an independent Chief Compliance Officer.

UTIMCO has developed comprehensive and detailed policies and procedures which it adheres to and implements fully.

UTIMCO participates in the UT System's compliance program as well as is internally audited by UT System personnel. UTIMCO and its Funds also undergo a formal annual external audit.

Governance

UTIMCO is fortunate to have an exceptionally qualified and engaged Board of Directors.

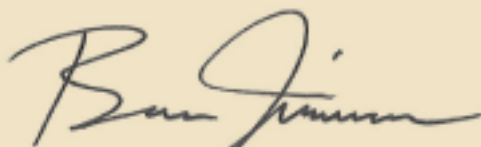
The Board is comprised of a broad cross-section of investment expertise and corporate governance experience. Board members tirelessly devote their efforts to providing guidance, ensuring control and assisting UTIMCO staff in their mission to provide excellent risk-adjusted investment returns.

We are extremely grateful to each Board member for their efforts on behalf of UTIMCO.

Organization

Similarly, UTIMCO is fortunate to have an exceptionally qualified and motivated staff. Across the board, the UTIMCO staff is bright, hard-working, ethical and, frankly, a lot of fun to work with.

UTIMCO's investment results, risk management and control environment, and its bright prospects for the future are all because of the quality and commitment of its staff. This team, we are certain, will continue to produce stellar results and we believe the prospects for the future are bright.



Bruce Zimmerman
Chief Executive Officer and
Chief Investment Officer



Cathy Iberg
President and Deputy
Chief Investment Officer

UTIMCO TEAM



UTIMCO TEAM



UTIMCO BOARD OF DIRECTORS As of August 31, 2007

H. SCOTT CAVEN, JR. (CHAIRMAN);

Vice-Chairman – Board of Regents, The University of Texas System; **Managing Director & Regional Manager of Texas** – Atlantic Trust Private Wealth Management; **Partner** – INVESCO PLC; **Director & Chief Executive Officer** – AT Investor Services; **Past Chairman** – Texas Growth Fund Board of Trustees under Governors William P. Clements, Ann Richards, and George W. Bush; **Past Chairman** – Advisory Council of the McCombs School of Business; **Past Chairman** – Texas Business Hall of Fame Foundation; **Member** – The University of Texas at Austin McCombs School of Business Hall of Fame; **Member** – Executive Committee of the Chancellor's Council, The University of Texas System

ROBERT B. ROWLING (VICE-CHAIRMAN);

Chair – UTIMCO Policy Committee; **Member** – UTIMCO Audit and Ethics Committee; **Member** – Board of Regents, The University of Texas System; **Owner and Chairman** – TRT Holdings, Inc.; **Owner** – Tana Exploration Company, LLC; **Chairman** – Omni Hotels; **Member** – National Board of Trustees for Young Life; **Past Chairman** – Willis M. Tate Distinguished Lecture Series, Southern Methodist University; **Member** – Texas Business Hall of Fame; **Member** – The University of Texas at Austin McCombs School of Business Hall of Fame; **Past Chairman** – Corpus Christi Area Economic Development Corporation

MARK G. YUDOF (VICE-CHAIRMAN FOR POLICY);

Chancellor – The University of Texas System; **Fellow** – American Academy of Arts and Science; **Member** – American Law Institute; **Member** – President's Council on Service and Civic Participation

CLINT D. CARLSON;

Member – UTIMCO Compensation Committee; **Member** – UTIMCO Risk Committee; **President and Chief Investment Officer** – Carlson Capital, L.P.; **Member** – Management Committee and Board of Governors, Texas Ballet Theatre; **Member** – Council of Overseers, Jones School of Business at Rice University

J. PHILIP FERGUSON;

Chair – UTIMCO Compensation Committee; **Member** – UTIMCO Risk Committee; **Former Chief Investment Officer** – AIM Capital Management, Inc.; **Trustee** – Houston Ballet; **Former Director** – Memorial Hermann Foundation; **Trustee** – Memorial Endowment Fund, St. John the Divine Episcopal Church; **Former Governor** – The Investment Adviser Association; **Member** – Fund Advisory Committee, The MBA Investment Fund, The University of Texas at Austin; **Member** – Investment Committee, Museum of Fine Arts, Houston; **Member** – Development Board, UT Health Science Center at Houston



H. SCOTT CAVEN, JR.

ROBERT B. ROWLING

MARK G. YUDOF

CLINT D. CARLSON

COLLEEN MCHUGH;

Member – UTIMCO Audit and Ethics Committee; **Member** – UTIMCO Policy Committee; **Member** – Board of Regents, The University of Texas System; **Of Counsel** – Welder Leshin LLP; **Former Chairman** – Texas Public Safety Commission; **Former President** – State Bar of Texas; **Former Chair** – State Bar of Texas Board of Directors; **Former Member** – Governor’s Task Force on Homeland Security; **Former President** – U.S.S. Lexington Museum; **Member** – The American Law Institute

ARDON E. MOORE;

Member – UTIMCO Compensation Committee; **Member** – UTIMCO Policy Committee; **President** – Lee M. Bass, Inc.; **Member** – The University of Texas Development Board; **President** – Fort Worth Zoological Association; **Trustee** – Cook Children’s Hospital, Fort Worth; **Past President** – All Saints’ Episcopal School of Fort Worth; **Past Trustee** – Texas Water Foundation; **Member** – Stanford Graduate School of Business Alumni Association; **Member** – Dean’s Circle, The University of Texas at Austin McCombs School of Business

ERLE NYE;

Chair – UTIMCO Audit and Ethics Committee; **Member** – UTIMCO Risk Committee; **Chairman Emeritus** – TXU Corp.; **Member and Past Chairman** – Board of Regents, Texas A&M University System; **Member** – Texas A&M University College of Engineering Advisory Council and Chancellor’s Council; **Member** – Southern Methodist University Dedman School of Law and Cox School of Business Executive Boards; Tate Lecture Series Board, and Maguire Center Executive Advisory Board; **Past Chairman** – Baylor College of Dentistry Board of Directors; **Chairman** – National Infrastructure Advisory Council; **Member** – Salvation Army, State Fair of Texas, and Southwestern Exposition & Livestock Show Board of Directors

CHARLES W. TATE;

Chair – UTIMCO Risk Committee; **Member** – UTIMCO Audit and Ethics Committee; **Chairman & Founding Partner** – Capital Royalty L.P.; **Former Partner** – Hicks, Muse, Tate & Furst Incorporated; **Former Managing Director** – Morgan Stanley & Co. Incorporated; **Member** – The University of Texas M. D. Anderson Cancer Center’s University Cancer Foundation Board of Visitors & Strategic Planning Committee and Chairman of the International Collaborations & Business Development Advisory Group; **Chairman** – External Advisory Committee of The University of Texas Department of Biomedical Engineering; **Recipient** – 2007 University of Texas Distinguished Alumnus Award; **Member** – The University of Texas at Austin McCombs School of Business Hall of Fame; **Member** – Board of Overseers of the Columbia University Graduate School of Business; **Chairman** – Texas Life Science Center



J. PHILIP FERGUSON

COLLEEN MCHUGH

ARDON E. MOORE

ERLE NYE

CHARLES W. TATE

THE UNIVERSITY OF TEXAS SYSTEM BOARD OF REGENTS

As of August 31, 2007

OFFICERS

James R. Huffines – Chairman
 Rita C. Clements – Vice Chairman
 H. Scott Caven, Jr. – Vice Chairman
 Cyndi Taylor Krier – Vice Chairman
 Francie A. Frederick – General Counsel to the Board of Regents

MEMBERS

Term Expires February 1, 2005*
 Robert A. Estrada – Fort Worth

Terms Expire February 1, 2007*
 Rita C. Clements – Dallas
 Judith L. Craven, M.D. – Houston
 Cyndi Taylor Krier – San Antonio

Terms Expire February 1, 2009*
 John W. Barnhill, Jr. – Brenham
 H. Scott Caven, Jr. – Houston
 James R. Huffines – Austin

Terms Expire February 1, 2011*
 Robert B. Rowling – Dallas
 Colleen McHugh – Corpus Christi

STUDENT REGENT

Term Expires May 31, 2008*
 Randal Matthew Camarillo – Fort Worth

*Each Regent's term expires when a successor has been appointed, qualified, and taken the oath of office.
 The Student Regent serves a one-year term.

THE UNIVERSITY OF TEXAS SYSTEM OFFICERS

As of August 31, 2007

Mark G. Yudof – Chancellor
 David B. Prior – Executive Vice Chancellor for Academic Affairs
 Kenneth I. Shine – Executive Vice Chancellor for Health Affairs
 Scott C. Kelley – Executive Vice Chancellor for Business Affairs
 Tonya Moten Brown – Vice Chancellor for Administration
 Barry D. Burgdorf – Vice Chancellor and General Counsel
 Francie A. Frederick – General Counsel to the Board of Regents
 Geri H. Malandra – Vice Chancellor for Strategic Management
 Barry McBee – Vice Chancellor for Governmental Relations
 Keith McDowell – Vice Chancellor for Research and Technology Transfer
 Randa S. Safady – Vice Chancellor for External Relations
 William H. Shute – Vice Chancellor for Federal Relations

UTIMCO SENIOR MANAGEMENT

Bruce Zimmerman – Chief Executive Officer and Chief Investment Officer

Cathy A. Iberg – President and Deputy Chief Investment Officer

Lindel Eakman – Managing Director, Private Markets

Bill Edwards – Managing Director, Information Technology

Joan Moeller – Managing Director, Accounting, Finance and Administration

Uziel Yoeli – Director, Portfolio Risk Management

Anna Cecilia Gonzalez – Internal General Counsel

LEGAL COUNSEL – Vinson & Elkins LLP, Austin, Texas

INDEPENDENT AUDITORS – Deloitte & Touche LLP





AN ENDURING LEGACY

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