

Financial Statements

The University of Texas System

Intermediate Term Fund

For the Period from Inception (February 1, 2006)

to August 31, 2006

The University of Texas System Intermediate Term Fund

Financial Statements

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Our discussion and analysis of The University of Texas System Intermediate Term Fund's (Fund) financial performance provides an overview of its activities for the period from inception (February 1, 2006) to August 31, 2006. This discussion was prepared by The University of Texas Investment Management Company (UTIMCO) and should be read in conjunction with the Fund's financial statements and notes. The Fund, created February 1, 2006 as a replacement for the University of Texas System Short Intermediate Term Fund, the BGI Equity Index Fund and the BGI Debt Index Fund, is an internal UT System mutual fund for the pooled investment of operating funds and other intermediate and long-term funds held by the UT System institutions and UT System Administration. The Fund was created to improve the efficiency of operating funds management and to improve investment returns on UT System operating reserves. The Texas Constitution and various state statutes designate The University of Texas System Board of Regents (UT Board) as the fiduciary for the management of certain public endowment and operating funds. The UT Board has entered into an Investment Management Services Agreement delegating investment management responsibility for all investments to UTIMCO.

The purpose of the MD&A is to provide an objective and easily readable analysis of the Fund's financial statements based upon currently known facts, decisions or conditions.

Financial Highlights

- The Fund's net fiduciary assets, after contributions, withdrawals, and distributions totaled \$3,048.8 million as of August 31, 2006. Activity during the period from inception (February 1, 2006) to August 31, 2006 was mainly attributable to the following:
 1. Initial participant contributions to the Fund on February 1, 2006, totaled \$2,930.9 million. Net contributions to the Fund after the initial funding totaled \$70.2 million.
 2. The Fund posted an unannualized net investment return of 3.42% for the period from inception (February 1, 2006) to August 31, 2006. Investments in real estate investment trusts, non U.S. developed equities, and absolute return hedge funds were the leading contributors to the return.
 3. The Fund's distribution rate was 3.0% per year, or .25% per month, for the period from inception (February 1, 2006) to August 31, 2006. Distributions from the Fund totaled \$52.7 million for the period.

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Use of Financial Statements and Notes

The Fund's financial statements were prepared in accordance with standards issued by the Governmental Accounting Standards Board (GASB). Two financial statements are required under GASB: the Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets.

The notes to the financial statements contain supplemental information that is essential for the fair presentation of the financial statements.

Statement of Fiduciary Net Assets

The Statement of Fiduciary Net Assets presents assets, liabilities, and net assets of the Fund as of the end of the fiscal year. This statement, along with all of the Fund's financial statements, are prepared using the accrual basis of accounting, whereby Fund investment income is recognized when earned and Fund expenses are recognized when incurred.

The Fund invests in a broad mix of investments and is actively managed to its benchmark, the Policy Portfolio benchmark. The Policy Portfolio is the index or benchmark for the intermediate term funds that UTIMCO manages. The return of the Policy Portfolio is the sum of the weighted benchmark returns for each asset class that comprise it. UTIMCO allocates the Fund's assets to internally and externally managed portfolios in accordance with approved asset allocation policies, and attempts to preserve the purchasing power of Fund assets by earning a compound annualized return over rolling three year-periods, net of all direct and allocated expenses, of at least inflation as measured by the Consumer Price Index plus 3%. In doing so, UTIMCO increases the operating resources available to the UT System institutions which invest in the Fund.

The following summarizes the Statement of Fiduciary Net Assets (in millions) as of August 31, 2006:

Assets	
Investments	\$ 3,266.3
Other Assets	<u>732.7</u>
Total Assets	<u>3,999.0</u>
Total Liabilities	950.2
Net Assets Held in Trust	<u>\$ 3,048.8</u>

Statement of Changes in Fiduciary Net Assets

Changes in fiduciary net assets as presented on the Statement of Changes in Fiduciary Net Assets are based on activity of the Fund. The purpose of this statement is to present additions to the Fund resulting from net investment income and participant contributions and to present deductions from the Fund resulting from participant withdrawals and distributions.

The net increase in investments of the Fund was \$55.3 million during the period from inception (February 1, 2006) to August 31, 2006. Investment expenses for the same period totaled \$15.0 million.

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Distributions to participants totaled \$52.7 million for the period from inception (February 1, 2006) to August 31, 2006. Cash distributions are paid monthly based on a 3% annual distribution rate. To calculate the monthly payment the distribution rate is divided by 12 and then multiplied by each unitholder's account, which is determined as follows:

- Net asset value of each unitholder's account on the last business day of the second prior month;
- Plus value of each unitholder's net purchase/redemption amount on the first business day of the prior month;
- Less the distribution amount paid to each unitholder's account on the first business day of the prior month.

The following summarizes the Statement of Changes in Fiduciary Net Assets (in millions) for the period from inception (February 1, 2006) to August 31, 2006:

Investment Income	\$	115.4
Less Investment Expenses		<u>(15.0)</u>
Net Investment Income		100.4
Participant Contributions		<u>3,112.3</u>
Total Additions		<u>3,212.7</u>
Participant Withdrawals		111.2
Participant Distributions		<u>52.7</u>
Total Deductions		163.9
Change in Fiduciary Net Assets		3,048.8
Net Assets Held in Trust, Beginning of Period		-
Net Assets Held in Trust, End of Period	\$	<u><u>3,048.8</u></u>

Contacting UTIMCO

The above financial highlights are designed to provide a general overview of the Fund's investment results and insight into the following financial statements. Additional information may be found on our website and inquiries may be directed to UTIMCO via www.utimco.org.

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Statement of Fiduciary Net Assets

August 31, 2006

(Dollars in thousands, except for per unit amount)

Assets

Investments:

Equity Securities	\$ 356,975
Debt Securities	1,164,860
Investment Funds	1,239,522
Purchased Options	4,478
Cash and Cash Equivalents	500,444
Total Investments	<u>3,266,279</u>

Collateral for Securities Loaned, at Fair Value	482,333
Deposit with Brokers for Derivative Contracts	19,535
Deposit with Broker for Securities Sold Short	305
Swaps, at Fair Value	1,366
Unrealized Gains on Foreign Currency Exchange Contracts	701

Receivables:

Investment Securities Sold	215,352
Accrued Income	12,218
Other	972
Total Receivables	<u>228,542</u>
Total Assets	<u>3,999,061</u>

Liabilities

Payable upon Return of Securities Loaned	482,333
Options Written, at Fair Value	9,847
Swaps, at Fair Value	5,567
Securities Sold Short, at Fair Value	1,869
Unrealized Losses on Foreign Currency Exchange Contracts	1,938

Payables:

Investment Securities Purchased	436,625
Distributions Payable	7,540
Other	4,500
Total Payables	<u>448,665</u>
Total Liabilities	<u>950,219</u>

Net Assets Held in Trust (30,020,169 Units) **\$ 3,048,842**

Net Asset Value Held in Trust Per Unit **\$ 101.560**

*The accompanying notes are an integral
part of these financial statements.*

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Statement of Changes in Fiduciary Net Assets

*For the Period from Inception (February 1, 2006) to August 31, 2006
(in thousands)*

Additions

Investment Income:

Net Increase in Investments	\$55,278
Interest	44,132
Dividends	6,136
Securities Lending Income	9,831
Other	32
Total Investment Income	<u>115,409</u>

Less Investment Expenses:

Investment Management	3,149
Securities Lending Fees	9,585
UTIMCO Management Fee	1,682
Custodial Fees and Expenses	333
Analytical and Risk Measurement Fees	103
Consulting Fees	67
Legal	48
Other	14
Total Investment Expenses	<u>14,981</u>

Net Investment Income 100,428

Participant Contributions 3,112,267

Total Additions 3,212,695

Administrative Expenses

UT System Oversight Fee 36

Deductions

Participant Withdrawals	111,137
Participant Distributions	<u>52,680</u>

Total Deductions 163,853

Change in Fiduciary Net Assets 3,048,842

Net Assets Held in Trust, Beginning of Period -

Net Assets Held in Trust, End of Period \$ 3,048,842

*The accompanying notes are an integral
part of these financial statements.*

Note 1 – Organization and Basis of Presentation

The University of Texas System Intermediate Term Fund (Fund) is a pooled fund established for the collective investment of operating funds and other short and intermediate term funds held by the 15 University of Texas System (UT System) institutions and UT System Administration. The Fund was established February 1, 2006, by the Board of Regents of UT System (Board of Regents). Fiduciary responsibility for the Fund rests with the Board of Regents. The day-to-day operational responsibilities of the Fund are delegated to The University of Texas Investment Management Company (UTIMCO), pursuant to an Investment Management Services Agreement with the Board of Regents.

The activities of the Fund are accounted for as a fiduciary fund. The financial statements of the Fund use an economic resources management focus and the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of cash flows. The Fund is subject to the pronouncements of the Governmental Accounting Standards Board (GASB).

The annual combined financial statements of UT System are prepared in accordance with the Texas Comptroller of Public Accounts' Annual Financial Reporting Requirements and include information related to the Fund. The accompanying financial statements may differ in presentation from the Texas Comptroller of Public Accounts' Annual Financial Reporting Requirements.

Note 2 – Significant Accounting Policies

(A) ***Security Valuation*** -- Investments are primarily valued on the basis of market valuations provided by independent pricing services.

Fixed income securities held directly by the Fund are valued based upon prices supplied by Merrill Lynch Securities Pricing Service and other major fixed income pricing services, external broker quotes and internal pricing matrices.

Equity security market values are based on the New York Stock Exchange composite closing prices, if available. If not available, the market value is based on the closing price on the primary exchange on which the security is traded (if a closing price is not available, the average of the last reported bid and ask price is used). Securities held by the Fund in index funds and exchange traded funds are generally valued as follows:

Stocks traded on security exchanges are valued at closing market prices on the valuation date.

Stocks traded on the over-the-counter market are valued at the last reported bid price, except for National Market System OTC stocks, which are valued at their closing market prices.

Fixed income securities are valued based upon bid quotations obtained from major market makers or security exchanges.

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Notes to Financial Statements (cont.)

Marketable alternative, U.S. equity, non-U.S. developed equity, emerging market and fixed income investment funds and certain other investment funds are valued using the equity method of accounting based on net asset value information provided by the investment company.

(B) ***Foreign Currency Translation*** -- The accounting records of the Fund are maintained in U.S. dollars. Investments in securities are valued at the daily rates of exchange on the valuation date. Purchases and sales of securities of foreign entities and the related income receipts and expense payments are translated into U.S. dollars at the exchange rate on the dates of the transactions. The Fund does not isolate that portion of the results of the change in fiduciary net assets resulting from changes in foreign exchange rates on investments from fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net increase in investments.

(C) ***Investment Income*** -- Interest income is accrued as earned. Dividend income is recorded on the ex-dividend date. Dividend and interest income is recorded net of foreign taxes where recovery of such taxes is not assured. Investment income includes net realized and unrealized currency gains and losses recognized between accrual and payment dates on dividend and interest transactions. Premiums and discounts on bonds are not amortized.

(D) ***Security Transactions*** -- Security transactions are recorded on a trade date basis. Gains and losses on securities sold are determined on the basis of average cost. A loss is recognized if there is an impairment in the value of the security that is determined to be other than temporary.

(E) ***Distributions to Participants*** -- Cash distributions to participants are paid monthly based on a percentage rate established by the Board of Regents. For the period from inception (February 1, 2006) to August 31, 2006, the annual distribution rate was 3.0%.

(F) ***Fund Valuation*** -- Valuation of the Fund's units occurs on a monthly basis. Unit values are determined by dividing the value of the Fund's net assets by the number of units outstanding on the valuation date.

(G) ***Purchases and Redemption of Units*** -- The value of participating units, upon admission to the Fund, is based upon the market value of net assets held as of the valuation date. Redemptions from the Fund will also be made at the market value price per unit at the valuation date at the time of the redemption. There are no transaction costs incurred by participants for the purchase or redemption of units.

(H) ***Participants' Net Assets*** -- All participants in the Fund have a proportionate undivided interest in the Fund's net assets.

(I) ***Federal Income Taxes*** -- The Fund is not subject to federal income tax.

(J) ***Use of Estimates*** -- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

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Notes to Financial Statements (cont.)

(K) ***Derivative Applications*** -- Derivative securities are financial instruments whose value is derived, in whole or part, from the value of any one or more underlying securities or assets, or index of securities or assets, such as stocks, bonds, commodities, or currencies. The Fund from time to time uses various derivative applications, as allowed under Board of Regent approved investment policy guidelines. These derivative applications are utilized in compliance with a derivative investment policy established by the UTIMCO Board of Directors, and by guidelines established in contracts with external investment managers. Derivative applications included under these policies and contracts include futures, forwards, swaps and all forms of options. Futures contracts are valued at closing market prices on the valuation date. Written options and swaps are valued by using independent broker quotes, or using models with externally verifiable model inputs. Derivative applications in the Fund are used to achieve the following objectives:

- implement investment strategies in a low cost and efficient manner,
- alter the Fund's market (systematic) exposure without trading the underlying cash market securities,
- construct portfolios with risk and return characteristics that could not be created with cash market securities,
- hedge and control risks so that the Fund's risk/return profile is more closely aligned with the Fund's targeted risk/return profile, and
- facilitate transition trading.

Through the use of derivative applications, the complex risks that are bound together in traditional cash market investments can be separated and managed independently. The primary intent of the Fund's investment in derivative securities is to hedge its risk or to implement investment strategies more effectively and at a lower cost than would be possible in the cash market.

Options Written -- When the Fund writes an option, an amount equal to the premium received by the Fund is recorded as a liability and is subsequently adjusted to the current fair value of the option written. Premiums received from writing options that expire unexercised are treated by the Fund on the expiration date as realized gains from investments. The difference between the premium and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or, if the premium is less than the amount paid for the closing purchase transaction, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security or currency in determining whether the Fund has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the Fund. The Fund as writer of an option bears the market risk of an unfavorable change in the price of the security underlying the written option. Options are marked to market on a daily basis, and are included as a liability on the statement of fiduciary net assets.

Swaps -- The Fund invests in certain types of swaps to increase or decrease its exposure to long-term interest rates and to certain commodity sector returns. Swaps are agreements between two parties to exchange periodic payments on the notional value of the contract multiplied by a stated fixed interest rate versus a stated floating interest rate, or on a commodity sector return versus a specified cost per contract. Swaps are marked to market on a daily basis, and are included at fair value on the statement of fiduciary net assets. Cash flows occur when a swap is opened, when it resets, if or when it is

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Notes to Financial Statements (cont.)

prematurely terminated by both parties to the agreement, and when it reaches maturity. The frequency of the resets is defined by the term sheet of the particular swap agreement, and varies from instrument to instrument.

Futures Contracts -- The Fund enters into futures contracts to facilitate various trading strategies, primarily as a tool to increase or decrease market exposure to various asset classes. Upon entering into a futures contract, initial margin deposit requirements are satisfied by the segregation of specific securities as collateral for the account of the broker (the Fund's agent in acquiring the futures position). During the period the futures positions are open, the contracts are marked to market daily; that is, they are valued at the close of business each day, and a gain or loss is recorded between the value of the contracts that day and on the previous day. The daily gain or loss is referred to as the daily variation margin which is settled in cash with the broker each morning for the amount of the previous day's mark to market. The amount that is settled in cash with the broker each morning is the carrying and fair value of the futures contracts, and is included as an other receivable or other payable on the statement of fiduciary net assets. The Fund executes such contracts either on major exchanges or with major international financial institutions and minimizes market and credit risk associated with these contracts through the managers' various trading and credit monitoring techniques.

Foreign Currency Contracts -- The Fund enters into forward foreign currency exchange contracts to hedge against foreign currency exchange rate risks on its non-U.S. dollar denominated investment securities and to facilitate trading strategies primarily as a tool to increase or decrease market exposure to various foreign currencies. When entering into a forward foreign currency contract, the Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. These contracts are valued daily and the Fund's net equity therein, representing unrealized gain or loss on the contracts as measured by the difference between the forward foreign exchange rates at the dates of entry into the contracts and the forward rates at the reporting date, is included in the statements of fiduciary net assets. Realized and unrealized gains and losses are included in the statement of changes in fiduciary net assets. These instruments involve market and/or credit risk in excess of the amount recognized in the statement of fiduciary net assets. Risks arise from the possible inability of counterparties to meet the terms of their contracts and from movement in currency and securities values and interest rates.

(L) Securities Sold Short -- The Fund may sell securities it does not own in anticipation of a decline in the fair value of that security. When the Fund sells a security short, it must borrow the security sold short and deliver it to the broker-dealer through which it made the short sale as collateral for its obligation to deliver the security upon conclusion of the sale. The Deposit with Broker for Securities Sold Short was \$304,696 as of August 31, 2006. The market value of securities sold short as of August 31, 2006 was \$1,868,821. The Fund must pay dividends or interest on the securities sold short. Until the Fund covers its shorts sales, it is exposed to market risk to the extent that subsequent market fluctuations may require purchasing securities sold short at prices which may be significantly higher than the market value reflected in the statement of fiduciary net assets.

(M) Cash and Cash Equivalents -- Cash and Cash Equivalents consist of money markets, foreign currencies and other overnight funds. A portion of the Fund's cash and cash equivalents are maintained to support the notional value of written option and futures contracts held (see Notes 6 and

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Notes to Financial Statements (cont.)

8). Cash and cash equivalents are an integral part of the Fund's investment activities, and as such are included in the investments balance on the statement of fiduciary net assets.

Note 3 – Investment Risk

The investment risk disclosure that follows relates to the Fund's investments before securities lending transactions and the investment of cash collateral. Disclosures relating to securities lending are provided in Note 4.

(A) Credit Risk

Article VII, Section 11b of the Texas Constitution authorizes the Board of Regents, subject to procedures and restrictions it establishes, to invest the Permanent University Fund (the "PUF") in any kind of investment and in amounts it considers appropriate, provided that it adheres to the prudent investor standard. This standard provides that the Board of Regents, in making investments, may acquire, exchange, sell, supervise, manage, or retain, through procedures and subject to restrictions it establishes and in amounts it considers appropriate, any kind of investment that prudent investors, exercising reasonable care, skill and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all of the assets of the fund rather than a single investment. Pursuant to Section 51.0031(c) of the Texas Education Code, the Board of Regents has elected the PUF prudent investor standard to govern its management of the Fund.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSRO). The Fund's investment policy limits investments in U.S. Domestic bonds and non-dollar denominated bond investments to those that are rated investment grade, Baa3 or better by Moody's Investor Services, BBB- or better, by Standard & Poor's Corporation, or BBB- or better, by Fitch Investors Service at the time of acquisition. This requirement does not apply to investment managers that are authorized by the terms of an investment advisory agreement to invest in below investment grade bonds. Per GASB Statement No. 40 (GASB 40), *Deposit and Investment Risk Disclosures, an amendment to GASB Statement No. 3*, unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. GASB 40 also provides that securities with split ratings, or a different rating assignment between NRSROs, are disclosed using the rating indicative of the greatest degree of risk. The following table presents each applicable investment type grouped by rating as of August 31, 2006.

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Notes to Financial Statements (cont.)

Investment Type	Value	Rating
Investments:		
U.S. Government Guaranteed	\$ 473,366,820	Exempt from Disclosure
U.S. Government Non-Guaranteed:		
U.S. Agency	30,856,283	AAA
U.S. Agency Asset Backed	317,298,470	AAA
Total U.S. Government Non-Guaranteed	<u>348,154,753</u>	
Total U.S. Government	<u>821,521,573</u>	
Corporate Obligations:		
Domestic	111,117,715	AAA
Domestic	11,557,596	AA
Domestic	28,367,491	A
Domestic	31,004,122	BAA/BBB
Domestic	1,034,880	BAA
Domestic	2,296,726	BA/BB
Domestic	1,119,986	BB
Domestic	2,321,638	BA
Domestic	11,309,708	B
Domestic	657,438	CAA
Domestic	444,788	CCC
Commercial Paper	57,271,887	P
Commercial Paper	1,084,099	A
Foreign	789,593	AAA
Foreign	698,342	AA
Foreign	6,590,964	A
Foreign	8,016,097	BAA/BBB
Foreign	285,600	B
Total Corporate Obligations	<u>275,968,670</u>	
Foreign Government and Provincial Obligations	63,310,512	AAA
Foreign Government and Provincial Obligations	1,822,466	AA
Foreign Government and Provincial Obligations	1,656,139	A
Total Foreign Government and Provincial Obligations	<u>66,789,117</u>	
Other Debt Securities	203,760	AAA
Other Debt Securities	377,216	AA
Total Other Debt Securities	<u>580,976</u>	
Total Debt Securities	<u>\$ 1,164,860,336</u>	
Other Investment Funds - Debt	\$ 40,829,336	AAA
Other Investment Funds - Debt	51,588,800	AA
Total Other Investment Funds - Debt	<u>\$ 92,418,136</u>	
Cash and Cash Equivalents - Money Market Funds	\$ 494,816,463	AAA
Cash and Cash Equivalents - Other	5,627,663	Exempt from Disclosure
Total Cash and Cash Equivalents	<u>\$ 500,444,126</u>	
Deposit with Brokers for Derivative Contracts:		
U.S. Government Guaranteed	<u>\$ 19,534,614</u>	Exempt from Disclosure
Deposit with Broker for Securities Sold Short:		
Cash	<u>\$ 304,696</u>	Exempt from Disclosure

(B) Concentrations of Credit Risk

The Fund's investment policy statement contains the limitation that no more than 5% of the market value of domestic fixed income securities may be invested in corporate or municipal bonds of a single issuer. The Fund does not hold any direct investments in any one issuer that represents five percent or more of total investments.

(C) Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Fund will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Fund will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Texas State Statutes and the Fund's investment policy statements do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. As of August 31, 2006, the Fund does not have any investments that are exposed to custodial credit risk.

(D) Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its value to changes in market interest rates. Interest rate risk inherent in the Fund is measured by monitoring the modified duration of the overall investment portfolio. Modified duration estimates the sensitivity of the Fund's investments to changes in interest rates. The Fund has no specific policy statement limitations with respect to its overall modified duration. The following table summarizes the Fund's modified duration by investment type as of August 31, 2006.

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Notes to Financial Statements (cont.)

Investment Type	Value	Modified Duration
Investments in Securities:		
U.S. Government Guaranteed:		
U.S. Treasury Bonds and Notes	\$ 122,005,989	7.08
U.S. Treasury Strips	2,326,244	5.00
U.S. Treasury Bills	1,218,300	0.04
U.S. Treasury Inflation Protected	346,925,662	7.75
U.S. Agency Asset Backed	890,624	15.23
Total U.S. Government Guaranteed	473,366,819	7.56
U.S. Government Non-Guaranteed:		
U.S. Agency	30,856,283	0.69
U.S. Agency Asset Backed	317,298,471	4.00
Total U.S. Government Non-Guaranteed	348,154,754	3.71
Total U.S. Government	821,521,573	5.93
Corporate Obligations:		
Domestic	202,279,218	2.87
Commercial Paper	57,308,853	0.06
Foreign	16,380,596	17.35
Total Corporate Obligations	275,968,667	3.15
Foreign Government and Provincial Obligations	66,789,117	6.25
Other Debt Securities	580,976	13.60
Total Debt Securities	1,164,860,333	5.29
Other Investment Funds - Debt	92,418,136	3.58
Cash and Cash Equivalents:		
Money Market Funds	494,821,407	0.08
Other	5,622,719	-
Total Cash and Cash Equivalents	500,444,126	0.08
Total	\$ 1,757,722,595	3.72
Deposit with Brokers for Derivative Contracts:		
U.S. Government Guaranteed:		
U.S. Treasury Bills	\$ 19,534,614	0.14
Deposit with Broker for Securities Sold Short:		
Cash	\$ 304,696	-

(E) Investments with Fair Values That Are Highly Sensitive to Interest Rate Changes

In accordance with the Fund's investment policy statement, the Fund may invest in various mortgage backed securities, such as collateralized mortgage backed obligations. The Fund also may invest in investments that have floating rates with periodic coupon changes in market rates, zero coupon bonds

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Notes to Financial Statements (cont.)

and stripped Treasury and Agency securities created from coupon securities. As of August 31, 2006, the Fund's investments include the following investments that are highly sensitive to interest rate changes:

Collateralized mortgage obligations which are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows will affect the fair value of these securities. As of August 31, 2006, these securities amounted to \$51,558,674.

Mortgage backed securities which are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows will affect the fair value of these securities. As of August 31, 2006, these securities amounted to \$300,695,588.

Asset backed securities which are backed by home equity loans, auto loans, equipment loans and credit card receivables. Prepayments by the obligees of the underlying assets in periods of decreasing interest rates could reduce or eliminate the stream of income that would have been received. As of August 31, 2006, these securities amounted to \$73,558,816.

Step-up notes that grant the issuer the option to call the note on certain specified dates. At each call date, should the issuer not call the note, the coupon rate of the note increases (steps up) by an amount specified at the inception of the note. The call feature embedded within a step-up note causes the fair value of the instrument to be considered highly sensitive to interest rate changes. As of August 31, 2006, these securities amounted to \$1,377,780.

(F) Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of the Fund's non-U.S. dollar investments. The Fund's investment policy statement limits investments in non-U.S. denominated bonds to 50% of the Fund's total fixed income exposure. The following table summarizes the Fund's exposure to non-U.S. dollar investments as of August 31, 2006.

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Notes to Financial Statements (cont.)

Investment Type	Value	Investment Type	Value
Foreign Common Stock:		Purchased Options:	
Japanese Yen	\$ 16,826,656	Euro	\$ 233,763
UK Pound	12,676,076	UK Pound	59,195
Hong Kong Dollar	8,967,598	Total Purchased Options	292,958
Euro	6,063,755	Cash and Cash Equivalents:	
Canadian Dollar	4,401,884	Japanese Yen	2,818,394
Australian Dollar	2,128,304	Euro	1,719,698
Swedish Krona	1,370,607	UK Pound	153,632
Swiss Franc	1,102,458	New Zealand Dollar	147,181
Norwegian Krone	1,074,412	Canadian Dollar	125,471
Singapore Dollar	702,971	Australian Dollar	73,634
Danish Krone	485,869	Hong Kong Dollar	28,327
New Zealand Dollar	92,947	Singapore Dollar	12,571
Total Foreign Common Stock	55,893,537	Norwegian Krone	11,640
Foreign Government and Provincial Obligations:		Swiss Franc	8,361
Euro	35,133,020	Swedish Krona	8,114
UK Pound	19,971,177	Danish Krone	1,169
Canadian Dollar	5,226,645	Total Cash and Cash Equivalents	\$ 5,108,192
Japanese Yen	778,488		
Total Foreign Government and Provincial Obligation	61,109,330		
Corporate Obligations:			
Euro	7,082,050		
Japanese Yen	3,447,270		
Total Corporate Obligations	10,529,320		

Note 4 – Securities Lending

The Fund loans securities to certain brokers who pay the Fund negotiated lenders' fees. These fees are included in investment income and related expenses are included in investment expenses. The Fund receives qualified securities and/or cash as collateral against the loaned securities. The collateral, when received, will have a market value of 102% of loaned securities of U.S. issuers and a market value of 105% for loaned securities of non-U.S. issuers. If the market value of the collateral held in connection with loans of securities of U.S. issuers is less than 100% at the close of trading on any business day, the borrower is required to deliver additional collateral by the close of the next business day to equal 102% of the market value. For non-U.S. issuers, the collateral should remain at 105% of the market value of the loaned securities at the close of any business day. If it falls below 105%, the borrower must deliver additional collateral by the close of the following business day. The value of securities loaned and the value of collateral held are as follows at August 31, 2006.

Securities on Loan	2006 Value	Type of Collateral	2006 Value of Collateral
U.S. Government	\$382,910,086	Cash	\$389,146,791
Foreign Government	19,642,373	Cash	20,623,339
Corporate Bonds	16,072,104	Cash	16,521,740
Common Stock	54,201,816	Cash	56,041,327
Total	\$472,826,379	Total	\$482,333,197
U.S. Government	\$ 11,935,856	Non-Cash	\$ 12,395,828

Cash received as collateral for securities lending activities is invested and reinvested in a commingled pool managed exclusively for the benefit of the Fund, the Permanent University Fund, the General Endowment Fund, and other Board of Regent accounts that participate in securities lending activities.

THE UNIVERSITY OF TEXAS SYSTEM

INTERMEDIATE TERM FUND

Notes to Financial Statements (cont.)

The pool is managed in accordance with investment guidelines established in the securities lending contract between the Fund and its securities lending agent. The maturities of the investments in the pool do not necessarily match the term of the loans, rather the pool is managed to maintain a maximum dollar weighted average maturity of 60 days and an overnight liquidity of 20 percent. Lending income is earned if the returns on those investments exceed the rebate paid to borrowers of the securities. The income remaining after the borrower rebates is then shared with the lending agent on a contractually negotiated split. If the investment of the cash collateral does not provide a return exceeding the rebate or if the investment incurs a loss of principal, the payment of the shortfall to the borrower would come from the Fund and the securities lending agent in the same proportion as the split of income.

The Fund's pro-rata share of collateral pool investments, rating by NRSRO, and weighted average maturity as of August 31, 2006, is shown in the following table.

<u>Description</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Weighted Average Maturity In Days</u>
		No Rating	
Repurchase Agreements	\$ 175,600,866	Available	14
Commercial Paper	209,755,051	P	26
Floating Rate Notes	27,528,140	AAA	
Floating Rate Notes	19,772,129	AA	
Total Floating Rate Notes	<u>47,300,269</u>		69
Certificates of Deposit	60,349,390	P	67
Asset Backed Securities	865,031	AAA	11
Other Receivables/Payables	<u>(11,537,410)</u>	Not Rated	-
Total Collateral Pool Investment	<u>\$ 482,333,197</u>		31

Collateral pool investments are uninsured, and are held by the securities lending agent, in its name, on behalf of the Fund, except for the investments in repurchase agreements which are held in the securities lending agent's name by a third party custodian not affiliated with the Fund or the borrower of the associated loaned securities. Therefore, the collateral pool is not exposed to custodial credit risk because the pool investments are not held by counterparties to the lending transactions or a counterparties trust department or agent.

Cash collateral is recorded as an asset with an equal and offsetting liability to return the collateral on the statements of fiduciary net assets. Investments received as collateral for securities lending activities are not recorded as assets because the investments remain under the control of the transferor, except in the event of default.

In the event of default, where the borrower is unable to return the securities loaned, the Fund has authorized the securities lending agent to seize the collateral held. The collateral is then used to replace the borrowed securities where possible. Due to some market conditions, it is possible that the original securities cannot be replaced. If the collateral is insufficient to replace the securities, the securities lending agent has indemnified the Fund from any loss due to borrower default.

As of August 31, 2006, the Fund had no credit risk exposure to borrowers because the amounts the Fund owed to borrowers exceeded the amounts the borrowers owed the Fund.

THE UNIVERSITY OF TEXAS SYSTEM

INTERMEDIATE TERM FUND

Notes to Financial Statements (cont.)

There were no significant violations of legal or contractual provisions, no borrower or securities lending agent default losses, and no recoveries of prior period losses during the year ended August 31, 2006.

Note 5 – Investment Funds

Investment funds include exchange traded funds, index funds, SEC regulated mutual funds and externally managed funds, limited partnerships, and corporate structures which are generally unrated and may be unregulated. The composition of investment funds at August 31, 2006 is summarized in the table below as they are classified within the asset mix of the Fund.

Marketable Alternatives:	
Absolute Return Strategies	\$432,443,970
Directional Equity	306,872,663
Total Marketable Alternatives	<u>739,316,632</u>
Public Markets:	
U.S. Equity:	
Private Placements	120,340,148
Exchange Traded Funds	82,513,101
Index Funds	39,547,426
Total U.S. Equity	<u>242,400,675</u>
Non-U.S. Developed Equity:	
Private Placements	50,758,557
Exchange Traded Funds	26,729,040
Total Non-U.S. Developed Equity	<u>77,487,597</u>
Emerging Markets:	
Private Placements	67,765,066
Publicly Traded Mutual Funds	20,133,407
Total Emerging Markets	<u>87,898,473</u>
Fixed Income:	
Private Placements	92,418,136
Total Investment Funds	<u>\$1,239,521,513</u>

Marketable alternatives funds are invested in private placements with external investment managers who invest in equity and fixed income securities of both domestic and international issuers. These investment managers may invest in both long and short securities and may utilize leverage in their portfolios. The funds invested may be subject to a lock-up restriction of one or more years before the investment may be withdrawn from the manager without significant penalty. There are certain risks associated with these private placements, some of which include investment manager risk, market risk, and liquidity risk, as well as the risk of utilizing leverage in the portfolios.

Public market funds are invested in exchange traded funds, index funds, and private placements with external investment managers who invest in equity and fixed income securities of both domestic and international issuers. These funds are characterized as public market funds based on individual risk/return characteristics and their relationship to the overall asset mix of the Fund. Some of these investment managers may invest in both long and short securities and may utilize modest leverage in their portfolios. There are certain risks associated with these investments, some of which are investment manager risk, market risk, and liquidity risk, as well as the risk of utilizing leverage in the portfolios.

THE UNIVERSITY OF TEXAS SYSTEM

INTERMEDIATE TERM FUND

Notes to Financial Statements (cont.)

Marketable alternative and public market funds include investments in private placement vehicles that are subject to risk which could result in the loss of invested capital. The risks include the following:

- *Non-regulation risk* -- Some of these funds are not registered with the Securities Exchange Commission, and therefore are not subject to regulatory controls.
- *Key personnel risk* -- The success of certain funds is substantially dependent on key investment managers and the loss of those individuals may adversely impact the fund's performance.
- *Liquidity risk* -- Many of the Fund's investment funds may impose lockup periods which would cause the Fund to incur penalties to redeem its units or prevent the Fund from redeeming its shares until a certain period of time has elapsed.
- *Limited transparency* -- As private placement investment vehicles, these funds may not disclose the holdings of their portfolios.
- *Investment strategy risk* -- These funds often employ sophisticated investment strategies and may use leverage which could result in the loss of invested capital.

Note 6 – Written Options

During the period, the Fund wrote call options on Treasury note, commodity, and domestic and international equity index and exchange traded fund futures. Transactions in call options written during the period ended August 31, 2006 were as follows:

	Contracts	Premiums Received
Call Options Outstanding at February 1, 2006	-	\$ -
Options Written	315,843	2,841,890
Options Expired	(41,339)	(126,231)
Options Exercised	-	-
Options terminated in closing purchase transactions	(4,321)	(77,300)
Call Options Outstanding at August 31, 2006	<u>270,183</u>	<u>\$ 2,638,359</u>

As of August 31, 2006, an amount of \$4,334,102 is included on the statement of fiduciary net assets as options written, at fair value. The Fund recognized losses of \$1,862,963 on call options written for the period ended August 31, 2006.

The Fund also wrote put options on Treasury note and domestic and international equity index futures during the period ended August 31, 2006. Transactions in put options written during the period ended August 31, 2006, were as follows:

THE UNIVERSITY OF TEXAS SYSTEM**INTERMEDIATE TERM FUND***Notes to Financial Statements (cont.)*

	Contracts	Premiums Received
Put Options Outstanding at February 1, 2006	-	\$ -
Options Written	1,441,193	5,115,847
Options Expired	(57,264)	(82,076)
Options Exercised	-	-
Options terminated in closing purchase transactions	(121,850)	(574,273)
Put Options Outstanding at August 31, 2006	<u>1,262,079</u>	<u>\$ 4,459,498</u>

As of August 31, 2006, an amount of \$5,513,123 is included on the statement of fiduciary net assets as written options at fair value. The Fund recognized a loss in the amount of \$1,488,649 on put options written for the year ended August 31, 2006.

Note 7 – Swaps

During the period ended August 31, 2006, the Fund entered into interest rate, credit default and commodity swap contracts. The following discloses the notional amount, the coupon rate, and the fair values of the outstanding swap contracts as of August 31, 2006:

**THE UNIVERSITY OF TEXAS SYSTEM
INTERMEDIATE TERM FUND**

Notes to Financial Statements (cont.)

	Currency	Coupon	Notional Value	Maturity Date	Fair Value at August 31, 2006	
					Assets	Liabilities
Interest Rate						
Australian Dollar						
		6.000%	3,000,000	6/20/2009	\$ -	\$ 10,354
UK Pound						
		4.000%	1,500,000	12/15/2035	21,232	-
		4.250%	600,000	6/12/2036	41,102	-
		4.500%	4,100,000	9/15/2017	1,860	-
		5.000%	2,000,000	6/15/2009	-	11,019
		5.000%	10,000,000	9/15/2010	-	79,844
		5.000%	700,000	9/15/2015	-	5,406
Canadian Dollar						
		5.000%	2,500,000	6/15/2015	88,699	-
Euro						
		2.040%	2,000,000	2/21/2011	-	9,840
		4.000%	21,000,000	12/15/2011	-	187,728
		4.000%	5,100,000	12/15/2014	-	16,746
		6.000%	3,200,000	6/18/2034	588,461	-
Japanese Yen						
		1.000%	1,100,000,000	9/18/2008	10,521	-
		2.000%	850,000,000	6/20/2010	-	88,459
		2.000%	3,200,000,000	12/20/2013	-	931,243
		2.000%	4,530,000,000	12/15/2015	-	626,879
		2.500%	1,000,000,000	12/15/2035	-	99,858
		5.000%	1,700,000,000	3/18/2008	32,357	-
U.S. Dollar						
		5.000%	8,300,000	12/20/2008	-	21,387
		5.000%	24,000,000	6/18/2009	-	3,835
		5.000%	600,000	12/20/2011	-	4,342
		5.000%	24,200,000	12/20/2016	524,871	-
		5.000%	9,800,000	12/20/2036	-	580,266
					<u>1,309,103</u>	<u>2,677,206</u>
Commodity						
U.S. Dollar						
		TBILL + 23 Basis Points	2,380,000	9/26/2006	16,590	-
		TBILL + 24 Basis Points	27,180,000	9/26/2006	-	1,495,264
					<u>16,590</u>	<u>1,495,264</u>
Credit Default						
U.S. Dollar						
		0.410%	600,000	6/20/2007	1,158	-
					<u>1,158</u>	<u>-</u>
Structured						
U.S. Dollar						
		Emerging	10,000,000	4/7/2007	-	225,071
		Emerging	10,000,000	4/13/2007	-	172,558
		Emerging	17,000,000	5/18/2007	-	612,576
		TOPIX	7,000,000	5/4/2007	-	384,119
		TOPIX	10,000,000	4/7/2007	38,787	-
					<u>38,787</u>	<u>1,394,324</u>
Total					\$ 1,365,638	\$ 5,566,794

Note 8 – Futures Contracts

During the period ended August 31, 2006, the asset classes that used futures included domestic and foreign equities, domestic and foreign debt, and commodities. The Fund had \$19,534,614 on deposit with a broker for collateral as margin for the futures contracts as of August 31, 2006. Short futures were used by internal managers and may be used by a limited number of external managers of the

THE UNIVERSITY OF TEXAS SYSTEM

INTERMEDIATE TERM FUND

Notes to Financial Statements (cont.)

Fund to hedge the Fund's interest rate or country risk associated with security positions. The amount of net realized loss on the futures contracts was \$3,742,345 for the period from inception (February 1, 2006) to August 31, 2006.

The following discloses the name, number of contracts, notional value, and the carrying and fair values at August 31, 2006 for futures contracts:

Contract	Number of Contracts	Expiration	Notional Value at August 31, 2006		Carrying and Fair Value at August 31, 2006	
			Long	Short	Assets	Liabilities
Domestic Fixed Income						
U.S. 5 Year Treasury Notes	90	Dec-06	\$ -	\$ 9,459,844	\$ -	\$ 15,468
U.S. 10 Year Treasury Notes	36	Sep-06	-	3,867,187	-	10,688
U.S. 10 Year Treasury Notes	598	Dec-06	64,210,250	-	107,663	-
U.S. Treasury Bond	42	Sep-06	4,648,875	-	16,875	-
U.S. Treasury Bond	76	Sep-06	-	8,412,250	-	29,625
			<u>68,859,125</u>	<u>21,739,281</u>	<u>124,538</u>	<u>55,781</u>
Domestic Equity						
Russell 2000 Index Mini	1,362	Sep-06	-	98,295,540	53,927	-
Russell 2000 Index Mini	201	Dec-06	-	14,626,770	7,211	-
S&P 500 Index	842	Sep-06	274,828,800	-	105,250	-
			<u>274,828,800</u>	<u>112,922,310</u>	<u>166,388</u>	<u>-</u>
Commodities						
Goldman Sachs Commodities	732	Sep-06	85,278,000	-	329,400	-
Foreign Fixed Income						
90 Day Euro Dollar	87	Sep-06	20,576,588	-	2,719	-
90 Day Euro Dollar	28	Dec-06	6,625,850	-	2,450	-
90 Day Euro Dollar	231	Jun-07	54,819,187	-	25,988	-
90 Day Euro Dollar	67	Sep-07	15,920,037	-	8,375	-
90 Day Euro Dollar	64	Dec-07	15,217,600	-	8,000	-
90 Day Euro Dollar	61	Mar-08	14,506,562	-	7,625	-
90 Day Euro Dollar	19	Sep-08	4,516,300	-	1,900	-
90 Day Euro Dollar	19	Dec-08	4,514,400	-	1,900	-
90 Day Euro Dollar	19	Mar-09	4,512,738	-	1,663	-
90 Day Euro Dollar	19	Jun-09	4,510,838	-	1,425	-
Japan 10 Year Bond	26	Sep-06	29,922,672	-	174,599	-
Japan 10 Year Bond	37	Dec-06	42,459,239	-	198,573	-
UK Long Gilt	5	Dec-06	-	1,047,799	-	4,219
Euro-Bobl	171	Sep-06	24,176,240	-	139,289	-
			<u>242,278,251</u>	<u>1,047,799</u>	<u>574,506</u>	<u>4,219</u>
Foreign Equity						
FTSE 100 Index	254	Sep-06	28,522,530	-	1,424	174,830
S&P/TSE 60 Index	40	Sep-06	-	4,920,748	11,462	-
			<u>28,522,530</u>	<u>4,920,748</u>	<u>12,886</u>	<u>174,830</u>
Total			<u>\$ 699,766,706</u>	<u>\$ 140,630,138</u>	<u>\$ 1,207,718</u>	<u>\$ 234,830</u>

THE UNIVERSITY OF TEXAS SYSTEM

INTERMEDIATE TERM FUND

Notes to Financial Statements (cont.)

Note 9 – Foreign Currency Exchange Contracts

The table below summarizes by currency the contractual amounts of the Fund's foreign currency exchange contracts at August 31, 2006. Foreign currency amounts are translated at exchange rates as of August 31, 2006. The "Net Buy" amounts represent the U.S. dollar equivalent of net commitments to purchase foreign currencies, and the "Net Sell" amounts represent the U.S. dollar equivalent of net commitments to sell foreign currencies.

Currency	Net Buy August 31, 2006	Net Sell August 31, 2006	Unrealized Gains on Foreign Currency Exchange Contracts August 31, 2006	Unrealized Losses on Foreign Currency Exchange Contracts August 31, 2006
Australian Dollar	\$ 4,342,081	\$ -	\$ 4,100	\$ 2,903
Canadian Dollar	-	826,836	-	23,817
Chinese Yuan Renminbi	3,661,287	-	-	38,824
Danish Krone	907,093	-	868	6,304
Euro	-	19,220,466	78,524	108,061
Japanese Yen	56,840,905	-	1,131	1,301,838
New Taiwan Dollar	1,333,136	-	-	16,536
New Zealand Dollar	-	3,477,384	1,354	39,786
Singapore Dollar	820,006	-	-	741
South Korean Won	2,164,423	-	-	12,332
Swedish Krona	1,157,539	-	-	8,684
UK Pound	6,610,066	-	614,849	378,535
	<u>\$ 77,836,536</u>	<u>\$ 23,524,686</u>	<u>\$ 700,826</u>	<u>\$ 1,938,361</u>

Note 10 – Purchase Commitment

Effective November 10, 2005, UTIMCO, as investment manager of the funds under the control and management of the Board of Regents, entered into a security purchase agreement with the Board of Regents. The agreement commits the funds under management, including the Fund, to purchase up to \$1,285,000,000 in UT System flexible rate notes in the event of a failed remarketing of such notes.

Note 11 – Fees and Expenses

The Fund incurs investment management fees from various external managers of the Fund. The fees, generally assessed quarterly, are based on a percentage of the market value of investments held by each individual investment manager and currently range from 0.10% to 1.00%. In addition to quarterly investment management fees, the Fund may pay annual performance-based management fees for investment performance in excess of certain defined benchmarks as provided for in the managers' contracts. In addition, the Fund incurs consulting fees for investment planning and oversight services with regard to alternative marketable investment funds.

Custodial fees and expenses are assessed by the financial institution which holds the Fund's assets. Fees are based on the number of accounts, market value of the Fund, and transaction activity in accordance with the contractual agreement with the institution. Additional fees are assessed for performance measurement and on-line communication services per the contractual agreement.

The Fund incurs legal fees associated with the review of investment manager agreements and with due diligence efforts undertaken as part of hiring new investment managers.

THE UNIVERSITY OF TEXAS SYSTEM

INTERMEDIATE TERM FUND

Notes to Financial Statements (cont.)

Analytical and risk measurement fees are also incurred to implement and maintain a sophisticated risk measurement system for the Fund.

The Fund incurs other expenses related to its operations primarily consisting of audit fees, and consultation fees.

THE UNIVERSITY OF TEXAS SYSTEM
INTERMEDIATE TERM FUND
Supplemental Schedules

Summary of Investments
August 31, 2006
(in thousands)

	Value	% of Total
Equity Securities		
Domestic Common Stock	\$ 277,695	8.50%
Foreign Common Stock	79,280	2.43%
Total Equity Securities	<u>356,975</u>	<u>10.93%</u>
Debt Securities		
U.S. Government Obligations	821,521	25.15%
Corporate Obligations	275,969	8.45%
Foreign Government and Provincial Obligations	66,789	2.04%
Other	581	0.02%
Total Debt Securities	<u>1,164,860</u>	<u>35.66%</u>
Purchased Options	<u>4,478</u>	<u>0.14%</u>
Investment Funds		
Absolute Return Strategies	432,444	13.24%
Directional Equity	306,873	9.40%
U.S. Equity	242,401	7.42%
Non-U.S. Developed Equity	77,488	2.37%
Emerging Markets	87,898	2.69%
Fixed Income	92,418	2.83%
Total Investment Funds	<u>1,239,522</u>	<u>37.95%</u>
Cash and Cash Equivalents		
Money Market Funds Maintained to Back Futures Contracts	338,162	10.35%
Money Market Funds - Other	162,282	4.97%
Total Cash and Cash Equivalents	<u>500,444</u>	<u>15.32%</u>
 Total Investment in Securities	 <u>\$ 3,266,279</u>	 <u>100.00%</u>

THE UNIVERSITY OF TEXAS SYSTEM
INTERMEDIATE TERM FUND
Supplemental Schedules (cont.)

Financial Highlights

For the Period from Inception (February 1, 2006) to August 31, 2006

Selected Per Unit Data

Net Asset Value, Beginning of Period	<u>\$ 100.000</u>
Income From Investment Operations	
Net Investment Income	1.493
Net Realized and Unrealized Gain on Investments	<u>1.817</u>
Total Income from Investment Operations	<u>3.310</u>
Less Distributions	
From Net Investment Income	(1.493)
From Net Realized Gain	<u>(0.257)</u>
Total Distributions	<u>(1.750)</u>
Net Asset Value, End of Period	<u><u>\$ 101.560</u></u>

Ratios and Supplemental Data

Net Assets, End of Period (in thousands)	\$ 3,048,842
Ratio of Expenses to Average Net Assets	0.18%
Ratio of Net Investment Income to Average Net Assets	1.50%
Ratio of Distributions to Average Net Assets	1.75%