

FIG. A INVESTMENT RETURNS

Endowment Funds	(in millions)	Annual Returns for Periods Ended August 31, 2010			
	Net Asset Value August 31, 2010	One Year	Three Years	Five Years	Ten Years
Permanent University Fund	\$10,725	13.04%	(1.66%)	4.04%	4.65%
General Endowment Fund		13.02%	(1.68%)	4.12%	N/A
Permanent Health Fund	905	12.91%	(1.74%)	4.05%	N/A
Long Term Fund	5,130	12.90%	(1.74%)	4.05%	4.73%
Separately Invested Funds	397	N/A	N/A	N/A	N/A
Total Endowment Funds	\$17,157				

FIG. B COMBINED PUF AND GEF ASSET ALLOCATION

as of August 31, 2010
(\$ in millions)

Asset Group	Asset Class	More Correlated & Constrained		Less Correlated & Constrained		Private Investments		Grand Total	
Fixed Income	Investment Grade Credit-Related	\$ 2,199	13.1%	\$ 319	1.9%	\$ -	0.0%	\$ 2,518	15.0%
		212	1.3%	1,327	7.9%	1,216	7.2%	2,755	16.4%
Fixed Income Total		2,411	14.4%	1,646	9.8%	1,216	7.2%	5,273	31.4%
Real Assets	Real Estate	508	3.0%	107	0.6%	145	0.9%	760	4.5%
	Natural Resources	1,359	8.1%	13	0.1%	348	2.1%	1,720	10.3%
Real Assets Total		1,867	11.1%	120	0.7%	493	3.0%	2,480	14.8%
Equity	Developed Country	2,075	12.4%	2,900	17.3%	1,736	10.4%	6,711	40.1%
	Emerging Markets	1,569	9.4%	416	2.5%	311	1.8%	2,296	13.7%
Equity Total		3,644	21.8%	3,316	19.8%	2,047	12.2%	9,007	53.8%
Grand Total		\$ 7,922	47.3%	\$ 5,082	30.3%	\$ 3,756	22.4%	\$16,760	100.0%



FIG. C ASSET ALLOCATION COMPARISON

	Endowment Funds Peer Group May 31, 2010	Combined PUF and GEF Actual Allocation August 31, 2010
Fixed Income	12.3%	14.4%
Equity	26.0%	21.8%
Real Estate	0.0%	3.0%
Natural Resources	2.7%	8.1%
Hedge Funds	23.5%	30.3%
Private Investments	35.5%	22.4%

Source: Cambridge Associates, Inc.

FIG. D LONG TERM FUND FINANCIAL HIGHLIGHTS

Years Ended August 31,	2006	2007	2008	2009	(in millions) 2010
Beginning Net Asset Value	\$4,001	\$4,441	\$5,333	\$5,285	\$4,517
Contributions (Net of Withdrawals)	172	363	355	192	290
Distributions (Payout)	(180)	(199)	(217)	(236)	(253)
Net Investment Return	448	728	(186)	(724)	576
Ending Net Asset Value	\$4,441	\$5,333	\$5,285	\$4,517	\$5,130

FIG. E OWNERSHIP OF LONG TERM FUND

August 31, 2010	Accounts	(in millions) Value
UT System Administration	124	\$26
Benefit of Multiple Institutions	4	5
UT Arlington	440	65
UT Austin	4,516	2,348
UT Dallas	190	192
UT El Paso	565	118
UT Pan American	94	28
UT Brownsville	99	7
UT Permian Basin	98	15
UT San Antonio	315	50
UT Tyler	203	60
UT Southwestern Medical Center at Dallas	468	700
UT Medical Branch at Galveston	665	377
UT Health Science Center at Houston	408	128
UT Health Science Center at San Antonio	344	149
UT MD Anderson Cancer Center	413	336
UT Health Science Center at Tyler	40	10
Other Accounts	419	516
Total	9,405	\$5,130



FIG. F PERMANENT HEALTH FUND FINANCIAL HIGHLIGHTS

Years Ended August 31,	2006	2007	2008	2009	(in millions) 2010
Beginning Net Asset Value	\$926	\$987	\$1,100	\$1,026	\$842
Contributions (Net of Withdrawals)	-	-	-	-	-
Distributions (Payout)	(40)	(41)	(42)	(43)	(44)
Net Investment Return	101	154	(32)	(141)	107
Ending Net Asset Value	\$987	\$1,100	\$1,026	\$842	\$905

FIG. G PERMANENT HEALTH FUND OWNERSHIP ALLOCATION

August 31, 2010	(in millions) Value
Permanent Health Fund for Higher Education	\$386
UT Health Science Center at San Antonio	220
UT MD Anderson Cancer Center	110
UT Southwestern Medical Center at Dallas	55
UT Medical Branch at Galveston	28
UT Health Science Center at Houston	28
UT Health Science Center at Tyler	28
UT El Paso	28
Regional Academic Health Center	22
Total	\$905

FIG. H PERMANENT UNIVERSITY FUND FINANCIAL HIGHLIGHTS

Years Ended August 31,	2006	2007	2008	2009	(in millions) 2010
Beginning Net Asset Value	\$9,427	\$10,313	\$11,743	\$11,359	\$9,674
PUF Lands Mineral Contributions	215	273	458	340	338
Distributions to AUF	(358)	(401)	(449)	(531)	(516)
Net Investment Return	1,029	1,558	(393)	(1,494)	1,229
Ending Net Asset Value	\$10,313	\$11,743	\$11,359	\$9,674	\$10,725



PUF BENEFICIARIES

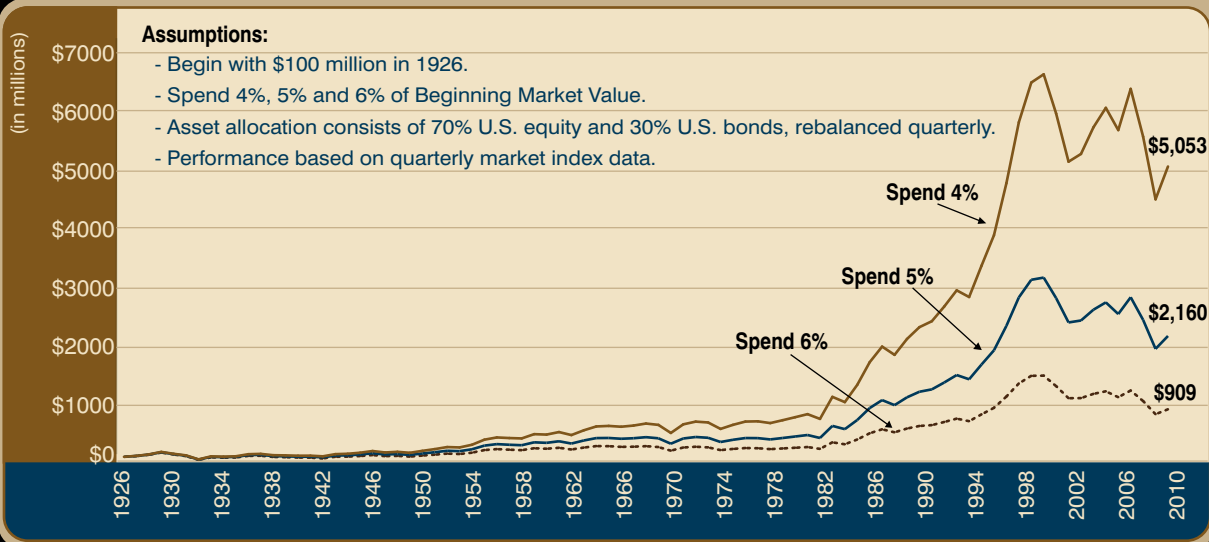
THE UNIVERSITY OF TEXAS SYSTEM

- UT Arlington
- UT Austin
- UT Dallas
- UT El Paso
- UT Permian Basin
- UT San Antonio
- UT Tyler
- UT Southwestern Medical Center at Dallas
- UT Medical Branch at Galveston
- UT Health Science Center at Houston
- UT Health Science Center at San Antonio
- UT MD Anderson Cancer Center
- UT Health Science Center at Tyler

THE TEXAS A&M UNIVERSITY SYSTEM

- Prairie View A&M University
- Tarleton State University
- Texas A&M University
- Texas A&M at Galveston
- The Texas A&M Health Science Center
- Texas Agricultural Experiment Station
- Texas Agricultural Extension Service – Texas Cooperative Extension
- Texas Engineering Experiment Station
- Texas Engineering Extension Service
- Texas Forest Service
- Texas Transportation Institute

FIG. 1 ENDOWMENT MARKET VALUES AFTER SPENDING



Source: Cambridge Associates, LLC

Assumptions: (Begin with \$100 million in 1926. Spend 4%, 5%, and 6% of average beginning market value of the previous four quarters. Asset allocation consists of 70% U.S. equity (performance measured by Ibbotson Yearbook, Large Company Stocks 1926-68; S&P 500 1969-present) and 30% U.S. bonds (performance measured by CA Corp Bond Series [derived from Salomon yields] 1926-68; Salomon High Grade Corporate Bond Total Rate of Return Index, Red SB Book 1969-79; SSB High Grade AAA/AA Corporate 10+ Year Index 1980-present), rebalanced quarterly. Management fees have been disregarded.

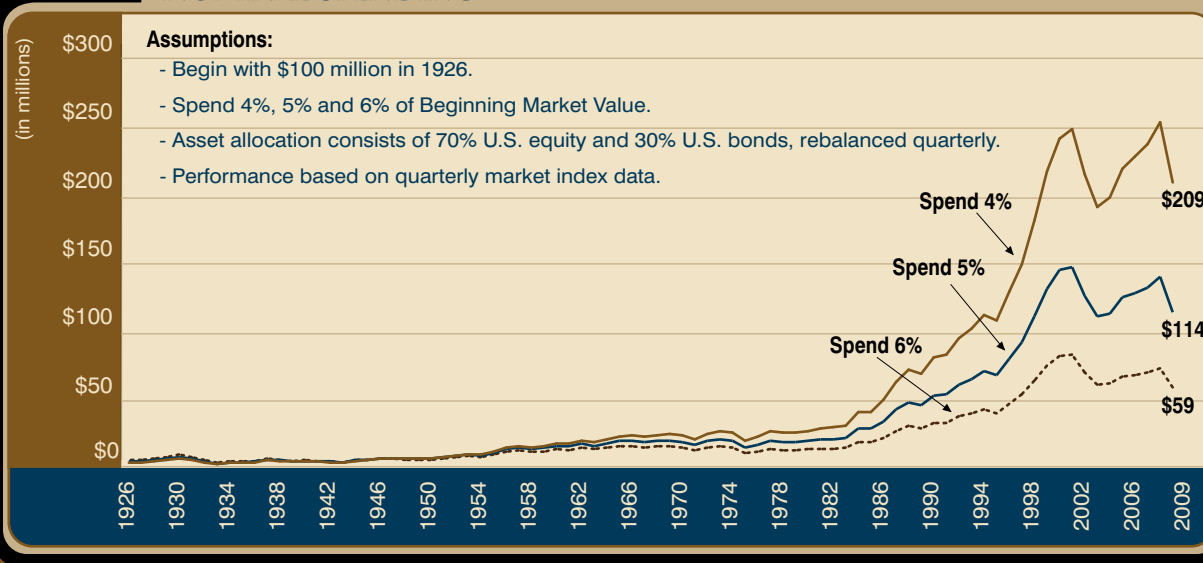


FIG. J SPENDING RATE COMPARISON

As of June 30,	2005	2006	2007	2008	2009
LTF	4.8%	4.6%	4.4%	3.9%	4.1%
Endowments Greater than \$1 Billion	4.7%	4.6%	4.4%	4.2%	4.6%
Public	4.6%	4.5%	4.5%	4.2%	4.2%
Independent	5.1%	4.8%	4.7%	4.4%	4.5%

Source: 2005-2007 NACUBO Endowment Study; 2008-2009 NACUBO-Commonfund Study of Endowments 2009.

FIG. K NOMINAL SPENDING



Source: Cambridge Associates, LLC

Assumptions: Begin with \$100 million in 1926. Spend 4%, 5%, and 6% of average beginning market value of the previous four quarters. Asset allocation consists of 70% U.S. equity (performance measured by Ibbotson Yearbook, Large Company Stocks 1926-68; S&P 500 1969-present) and 30% U.S. bonds (performance measured by CA Corp Bond Series [derived from Salomon yields] 1926-68; Salomon High Grade Corporate Bond Total Rate of Return Index, Red SB Book 1969-79; SSB High Grade AAA/AA Corporate 10+ Year Index 1980-present), rebalanced quarterly. Management fees have been disregarded.

FIG. L LTF RATIO OF EXPENSES TO AVERAGE NET ASSETS

Years Ended August 31,	2006	2007	2008	2009	2010
UTIMCO Management	0.05%	0.08%	0.08%	0.11%	0.06%
External Investment Managers ¹	0.30%	0.16%	0.11%	0.16%	0.22%
Other Service Providers Fees	0.04%	0.04%	0.07%	0.01%	0.03%
Total Investment Fees and Expenses	0.39%	0.28%	0.26%	0.28%	0.31%
UT System Administrative Fees ²	0.08%	0.08%	0.19%	0.27%	0.25%
Total	0.47%	0.36%	0.45%	0.55%	0.56%

(1) Fees incurred by the general partners in private investments, fees incurred by mutual fund managers, and fees charged by hedge fund managers are not included in these totals. Fees incurred by partnerships, mutual funds and hedge funds are netted directly against returns for those investments in accordance with standard industry practice.

(2) During the fiscal year ended August 31, 2008, the UT System administrative fee assessed on behalf of the UT System and UT System institutions for the support of endowment administration and management was increased from .08% to .20% of a rolling twelve quarter average net asset value of the LTF. The change in the ratios between 2008 and 2009 are reflective of the expense ratios being calculated on a five-quarter average net asset value of the LTF, and the fee assessment being calculated on a twelve-quarter average net asset value of the LTF.

