

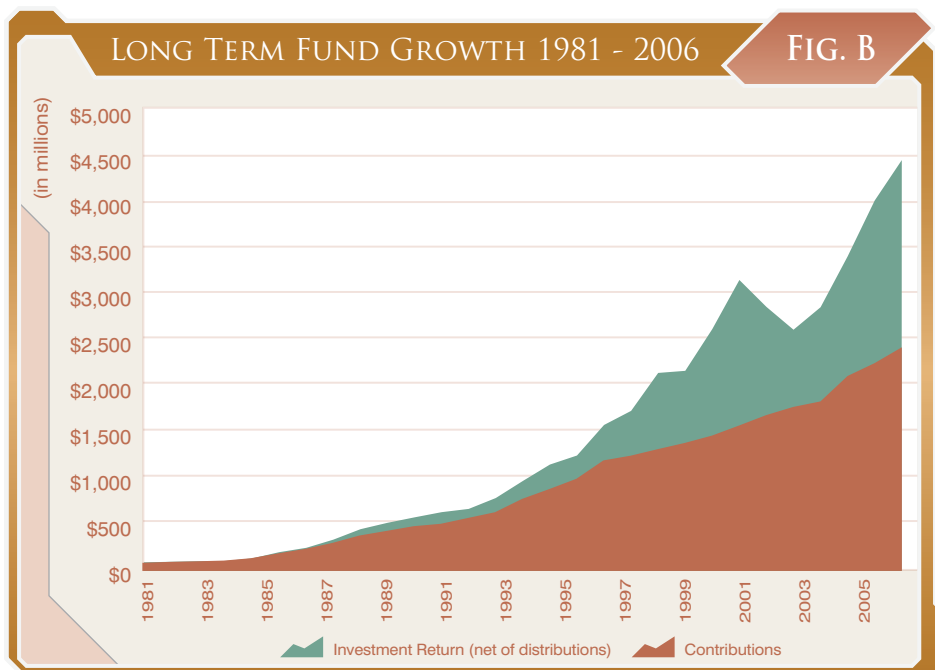
OWNERSHIP OF LONG TERM FUND



| August 31, 2006 | Accounts | Value (in millions) |
|--|--------------|------------------------|
| UT System Administration | 83 | \$ 29.6 |
| Benefit of Multiple Components | 4 | 5.3 |
| UT Arlington | 273 | 50.0 |
| UT Austin | 3,801 | 2,266.9 |
| UT Dallas | 123 | 174.3 |
| UT El Paso | 475 | 105.9 |
| UT Pan American | 71 | 23.9 |
| UT Brownsville | 54 | 6.3 |
| UT Permian Basin | 85 | 15.0 |
| UT San Antonio | 218 | 40.5 |
| UT Tyler | 155 | 56.2 |
| UT Southwestern Medical Center at Dallas | 424 | 673.2 |
| UT Medical Branch at Galveston | 547 | 316.3 |
| UT Health Science Center at Houston | 303 | 111.0 |
| UT Health Science Center at San Antonio | 232 | 101.2 |
| UT M. D. Anderson Cancer Center | 326 | 321.6 |
| UT Health Center at Tyler | 38 | 9.0 |
| Other accounts | 24 | 134.6 |
| Total | 7,236 | \$ 4,440.8 |

2006 LONG TERM FUND CHARTS

| FINANCIAL HIGHLIGHTS | | | | | FIG. A |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-----------------------|
| Years Ended August 31, | 2002 | 2003 | 2004 | 2005 | (in millions) 2006 |
| Beginning Net Asset Value | \$ 2,843.3 | \$ 2,595.1 | \$ 2,839.8 | \$ 3,393.3 | \$ 4,000.9 |
| Contributions (Net of Withdrawals) | 89.3 | 59.6 | 276.5 | 140.6 | 172.1 |
| Net Investment Return | (202.7) | 329.0 | 435.0 | 634.8 | 448.2 |
| Distributions (Payout) | (134.8) | (143.9) | (158.0) | (167.8) | (180.4) |
| Ending Net Asset Value | \$ 2,595.1 | \$ 2,839.8 | \$ 3,393.3 | \$ 4,000.9 | \$ 4,440.8 |



| FIG. C ASSET ALLOCATION | | |
|---|------------------------------|---------------|
| Asset Class | Actual as of August 31, 2006 | Target |
| Cash and Cash Equivalents | 0.3% | 0.0% |
| U.S. Equities | 19.1% | 20.0% |
| Non-U.S. Developed Equity | 11.7% | 10.0% |
| Emerging Markets Equity | 9.0% | 7.0% |
| Directional Hedge Funds | 8.4% | 10.0% |
| Absolute Return Hedge Funds | 15.2% | 15.0% |
| Real Estate Investment Trusts (REITS) | 5.6% | 5.0% |
| Commodities | 4.8% | 3.0% |
| Treasury Inflation-Protected Securites (TIPS) | 5.1% | 5.0% |
| Fixed Income | 10.0% | 10.0% |
| Private Markets | 10.8% | 15.0% |
| Total | 100.0% | 100.0% |

2006 LONG TERM FUND CHARTS

| | | BENCHMARK COMPARISON | | FIG. D |
|--|------------------------------|----------------------|---|--------|
| Asset Class | Actual Net Investment Return | Benchmark Return | Benchmark | |
| Cash and Cash Equivalents | 4.6% | 4.3% | 90 Day T-Bills Average Yield | |
| U.S. Equities | 8.5% | 8.8% | Russell 3000 Index | |
| Non U.S. Developed Equity | 20.0% | 24.3% | Morgan Stanley Capital International - EAFE Index with net dividends | |
| Emerging Markets Equity | 21.8% | 30.6% | Morgan Stanley Capital International - Emerging Markets Index with net dividends | |
| Directional Hedge Funds | 6.2% | 5.0% | (1) | |
| Absolute Return Hedge Funds | 8.9% | 4.2% | (2) | |
| Real Estate Investment Trusts (REITS) | 27.9% | 26.3% | Dow Jones Wilshire Real Estate Securities Index | |
| Commodities | -4.6% | -6.8% | Combination Index: 66.7% Goldman Sachs Commodity Index minus 50 basis points plus 33.3% Dow Jones AIG Commodity Index | |
| Treasury Inflation-Protected Securities (TIPS) | 2.1% | 1.5% | Lehman Brothers U.S. TIPS Index | |
| Fixed Income | 2.5% | 1.7% | Lehman Brothers Aggregate Bond Index | |
| Total Marketable Securities | 9.9% | 10.2% | | |
| Private Markets | 21.8% | 26.2% | Venture Economics' Periodic IRR Index | |
| Total | 11.1% | 12.5% | | |

(1) Due to developments with existing market indices, the benchmark for Directional Hedge Funds was changed during the fiscal year. From September 1, 2005 through December 31, 2005, the benchmark was a combination of 50% Standard & Poor's Event Driven Hedge Fund Index plus 50% Standard & Poor's Directional/Tactical Hedge Fund Index. From January 1, 2006 through August 31, 2006, the benchmark was the Morgan Stanley Capital International Investable Hedge Fund Index.

(2) Due to developments with existing market indices, the benchmark for Absolute Return Hedge Funds was changed during the fiscal year. From September 1, 2005 through December 31, 2005, the benchmark was a combination of 66.7% Standard & Poor's Event Driven Hedge Fund Index plus 33.3% Standard & Poor's Arbitrage Hedge Fund Index. From January 1, 2006 through August 31, 2006, the benchmark was the Morgan Stanley Capital International Investable Hedge Fund Index.

| CHANGE IN PURCHASING POWER | | FIG. E | | |
|-----------------------------------|---------------------------------------|--------------|--------------|--|
| Annual Average | For the periods ended August 31, 2006 | | | |
| | One Year | Five Years | Ten Years | |
| Net Total Return | 11.06% | 9.64% | 10.47% | |
| Less: | | | | |
| Inflation Rate | 3.82% | 2.81% | 2.63% | |
| Distribution Rate | 4.34% | 4.87% | 4.52% | |
| Change in Purchasing Power | 2.90% | 1.96% | 3.32% | |

| FIG. F | RATIO OF EXPENSES TO AVERAGE NET ASSETS | | | | |
|---|---|--------------|--------------|--------------|--------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 |
| UTIMCO Management Fee | 0.08% | 0.12% | 0.09% | 0.06% | 0.05% |
| External Managers & Other Service Providers Fees ⁽¹⁾ | 0.20% | 0.17% | 0.24% | 0.26% | 0.34% |
| Investment Fees & Expenses | 0.28% | 0.29% | 0.33% | 0.32% | 0.39% |
| Fee for Endowment Compliance | 0.09% | 0.09% | 0.07% | 0.07% | 0.06% |
| Fee for Educational Purposes | 0.02% | 0.02% | 0.02% | 0.03% | 0.02% |
| UT System Administrative Fees | 0.11% | 0.11% | 0.09% | 0.10% | 0.08% |
| Total | 0.39% | 0.40% | 0.42% | 0.42% | 0.47% |

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