

**PERMANENT UNIVERSITY FUND**

**DETAIL SCHEDULES OF INVESTMENT SECURITIES  
AND INDEPENDENT AUDITORS' REPORT**

**August 31, 2008**

## Independent Auditors' Report

The Board of Regents of The University of Texas System  
The Board of Directors of The University of Texas Investment Management Company

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Permanent University Fund (the "PUF"), as of and for the year ended August 31, 2008, and have issued our unqualified report thereon dated October 31, 2008. We have also audited the accompanying schedule of PUF's equity securities (Schedule A), preferred stocks and convertible securities (Schedule B), purchased options (Schedule C), debt securities (Schedule D), investment funds (Schedule E), cash and cash equivalents (Schedule F), marketable alternative investment pool (Schedule G), and the private investment pool (Schedule H), as of August 31, 2008. These schedules are the responsibility of the Fund's management. Our responsibility is to express an opinion on these Schedules based on our audit.

In our opinion, the Schedules referred to above, when read in conjunction with the financial statements of the PUF referred to above, present fairly, in all material respects, the information set forth therein.

*Deloitte & Touche LLP*

October 31, 2008

**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 2008

SCHEDULE A

SECURITY	SHARES	VALUE (\$)	COST (\$)
<b>DOMESTIC COMMON STOCKS</b>			
AAR CORP.....	297,508	4,721,452	7,822,753
ACADIA REALTY TRUST.....	113,389	2,692,989	2,696,923
AES CORP.....	219,245	3,345,679	4,241,605
ALCOA INC.....	157,759	5,068,797	5,467,099
ALEXANDRIA REAL ESTATE.....	35,486	3,822,197	3,215,496
ALLEGHENY ENERGY INC.....	216,607	9,818,795	11,094,340
AMB PROPERTIES CORP.....	74,208	3,368,301	3,756,634
AMERICAN CAMPUS COMMUNITIES INC.....	30,137	913,754	895,462
AMERICAN ELECTRIC & POWER INC.....	135,171	5,277,076	5,867,414
AMERICAN EXPRESS CO.....	115,130	4,568,358	4,872,337
AMERICAN INTERNATIONAL GROUP INC.....	89,407	1,921,356	4,073,340
AMERICAN OIL & GAS INC.....	12,236	35,117	54,052
APARTMENT INVESTMENT & MANAGEMENT.....	23,517	833,433	874,786
APPROACH RESOURCES INC.....	6,300	88,200	77,292
ARBITRON INC.....	76,270	3,657,909	2,962,689
ARCH COAL INC.....	161,000	8,732,640	5,434,831
ASSISTED LIVING CONCEPTS INC.....	63,700	450,996	477,118
ATP OIL & GAS CORP.....	26,900	691,330	974,293
AVALONE BAY COMMUNITIES INC.....	158,765	15,876,500	15,181,271
AVENTINE RENEWABLE ENERGY.....	30,600	195,840	363,156
BAKER HUGHES INC.....	18,400	1,472,184	1,435,514
BALDOR ELECTRIC CO.....	191,800	6,835,752	6,453,946
BANK NEW YORK MELLON CORP.....	59,865	2,071,928	2,443,399
BANKUNITED FINANCIAL CORP.....	453,824	540,051	10,916,448
BERRY PETROLEUM CO.....	58,700	2,443,094	1,932,893
BIG LOTS INC.....	560,550	16,575,464	6,654,120
BJ SERVICE CO.....	143,400	3,850,290	4,135,397
BOSTON PROPERTIES INC.....	97,439	9,984,575	8,911,434
BRANDYWINE REALTY TRUST.....	74,855	1,302,477	1,270,924
BRE PROPERTIES INC.....	46,384	2,237,101	2,130,855
BROOKFIELD HOMES CORP.....	11,280	144,722	139,228
CALLON PETROLEUM CO.....	4,500	89,415	89,912
CAMDEN PROPERTY TRUST.....	16,810	820,496	916,853
CANARGO ENERGY CORP.....	131,700	27,789	88,417
CBL & ASSOCIATES PROPERTIES INC.....	10,188	220,978	219,112
CBS CORPORATION.....	139,490	2,256,948	2,666,244
CHECKPOINT SYSTEMS INC.....	416,452	8,866,264	8,489,666
CISCO SYSTEMS INC.....	212,610	5,113,271	5,138,054
CITIGROUP INC.....	169,835	3,225,167	6,896,545
CMS ENERGY CORP.....	175,276	2,378,495	2,769,084
COMCAST CORP.....	204,820	4,329,895	4,553,271
COMPLETE PRODUCTION SERVICES INC.....	1,600	47,280	38,400
COMSTOCK RESOURCES INC.....	192,500	12,500,950	5,890,139
CONOCOPHILLIPS.....	5,100	420,801	420,082
CONSOL ENERGY INC.....	120,480	8,157,701	4,441,010
CONSTELLATION ENERGY GROUP INC.....	8,445	563,366	588,685
CORINTHIAN COLLEGES INC.....	256,100	3,398,447	4,486,482
CORNING INC.....	212,468	4,364,093	4,317,000
COX RADIO INC.....	148,200	1,652,430	2,318,017
DARDEN RESTAURANTS INC.....	94,200	2,759,118	2,807,924

**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 2008

SCHEDULE A  
(CONTINUED)

SECURITY	SHARES	VALUE (\$)	COST (\$)
DELTA PETROLEUM CORP.....	113,252	2,034,006	2,220,159
DEVELOPERS DIVERSIFIED REALTY CORP.....	72,794	2,439,327	3,181,188
DEVON ENERGY CORP.....	8,700	887,835	538,526
DEVRY INC.....	489,000	25,222,620	10,119,588
DIGITAL REALTY TRUST INC.....	114,585	5,256,015	4,027,012
DOUGLAS EMMITT INC.....	160,944	3,809,545	3,975,237
DOWNEY FINANCIAL CORP.....	97,500	212,550	3,623,184
DUPONT FABROS TECHNOLOGY INC.....	64,143	1,126,351	1,121,370
DYNEGY INC DEL.....	129,549	772,112	970,875
EAST GROUP PROPERTIES INC.....	27,765	1,234,432	1,316,727
EDISON INTERNATIONAL.....	18,016	827,295	803,153
EDUCATION REALTY TRUST INC.....	31,215	342,116	388,315
EMC CORP.....	306,800	4,687,904	5,056,594
EMS TECHNOLOGIES INC.....	113,168	2,658,316	1,982,895
ENSCO INTERNATIONAL INC.....	6,300	427,014	303,018
ENERGY CORP.....	22,567	2,333,202	1,937,780
ENTERTAINMENT PROPERTIES.....	8,239	447,131	447,227
EOG RESOURCES INC.....	6,000	626,520	334,211
EQUITABLE RESOURCES INC.....	32,031	1,598,667	1,448,395
EQUITY RESIDENTIAL PROPERTY.....	220,486	9,304,509	8,908,852
EQUITY LIFESTYLE PROPERTIES INC.....	85,818	4,263,438	4,053,963
EQUITY ONE INC.....	4,374	91,810	111,391
ESSEX PROPERTIES TRUST.....	31,192	3,660,381	3,416,164
EVERGREEN ENERGY INC.....	7,300	13,140	61,692
EXCO RESOURCE INC.....	92,700	2,454,696	1,981,677
EXELON CORP.....	157,690	11,978,133	10,961,745
EXTERRAN HOLDINGS INC.....	14,471	661,469	1,007,901
FEDERAL REALTY INVESTMENT TRUST.....	69,554	5,277,758	5,331,388
FIRST ENERGY CORP.....	158,608	11,521,286	10,993,445
FOREST CITY ENTERPRISES INC.....	85,740	2,465,882	3,101,060
FOREST OIL CORP.....	40,600	2,310,952	2,783,495
FOUNDATION COAL HOLDINGS INC.....	29,500	1,744,925	1,775,539
FPL GROUP INC.....	50,257	3,018,435	2,712,802
GALLAGHER ARTHUR J & CO.....	151,450	4,010,396	4,181,445
GASCO ENERGY.....	46,000	120,980	123,249
GASTAR EXPLORE LTD.....	61,500	111,315	126,297
GENERAL COMMUNICATION INC.....	287,800	2,918,292	2,854,623
GENERAL GROWTH PROPERTIES INC.....	140,472	3,642,440	5,222,676
GMX RESOURCES INC.....	8,814	597,942	631,375
GOODRICH PETROLEUM CORP.....	49,300	2,506,905	2,339,240
GULFSANDS PETROLEUM.....	26,900	90,769	39,408
HALLIBURTON CO.....	59,328	2,606,872	1,956,004
HARRIS CORP.....	65,161	3,411,830	3,334,174
HAYNES INTERNATIONAL INC.....	95,424	5,578,488	6,788,962
HCP INC.....	73,803	2,673,144	2,375,963
HEALTH CARE REIT INC.....	102,706	5,327,360	4,539,392
HELMERICH & PAYNE.....	115,900	6,620,208	4,146,642
HENRY JACK & ASSOC INC.....	162,500	3,254,875	3,226,394
HERCULES OFFSHORE INC.....	3,100	68,417	62,000
HESS CORP.....	12,500	1,308,875	521,176
HIGHWOODS PROPERTIES INC.....	22,682	822,676	731,484

**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 2008

SCHEDULE A  
(CONTINUED)

SECURITY	SHARES	VALUE (\$)	COST (\$)
HILB ROGAL & HOBBS CO.....	117,400	5,347,570	3,888,778
HOME PROPERTIES NY INC.....	49,764	2,625,051	2,466,292
HONEYWELL INTERNATIONAL INC.....	48,339	2,425,168	2,376,708
HOSPITALITY PROPERTIES TRUST.....	14,589	330,879	326,576
HOST HOTELS & RESORTS INC.....	685,423	9,801,549	12,480,691
IBM CORP.....	35,326	4,300,234	3,508,192
JAMES RIVER CORP OF VIRGINIA.....	9,000	379,530	58,050
KBR INC.....	301,100	7,392,005	6,330,558
KEY ENERGY GROUP INC.....	98,400	1,653,120	1,680,626
KILROY REALTY CORP.....	18,618	931,831	1,115,506
KIMCO REALTY CORP.....	182,973	6,795,618	6,573,874
KINETIC CONCEPTS INC.....	241,690	8,497,820	7,912,094
LASALLE HOTEL PROPERTIES.....	25,417	662,621	987,471
LIBERTY PROPERTIES TRUST.....	75,247	2,841,327	2,947,363
LONGVIEW ENERGY COMPANY.....	2,100	70,077	31,500
MACERICH CO.....	91,952	5,694,588	6,423,044
MACK CALIFORNIA REALTY CORP.....	86,573	3,499,281	3,566,957
MAGUIRE PROPERTIES INC.....	21,176	239,712	648,908
MASSEY ENERGY CORP.....	134,710	8,885,472	6,190,788
MICROSOFT CORP.....	165,890	4,527,138	4,819,455
MORGAN HOTEL GROUP CO.....	43,624	745,970	863,951
MOTOROLA INC.....	426,550	4,018,101	4,034,415
MURPHY OIL CORP.....	6,600	518,298	421,805
NATIONAL OILWELL INC.....	1,574	116,051	118,601
NATIONAL RETAIL PROPERTIES INC.....	62,216	1,411,681	1,389,931
NATIONWIDE HEALTH.....	33,272	1,145,222	1,061,087
NEWFIELD EXPLORATION CO.....	100,922	4,563,693	3,938,285
NGP CAPITAL RESOURCES CO.....	1,300	21,151	19,500
NRG ENERGY INC.....	274,655	10,338,014	10,415,886
OCEAN POWER TECHNOLOGIES INC.....	4,100	34,481	82,000
OMEGA HEALTHCARE INVESTMENTS INC.....	63,852	1,139,120	1,143,401
PARALLEL PETROLEUM CORP.....	661	8,752	3,483
PARAMETRIC TECHNOLOGY CORP.....	365,500	7,339,240	6,443,384
PARTICLE DRILLING TECHNOLOGIES.....	22,648	48,920	84,252
PATRIOT COAL CORP.....	16,784	1,006,368	152,113
PATTERSON UTI ENERGY INC.....	131,800	3,745,756	4,322,812
PEABODY ENERGY CORP.....	120,622	7,593,155	4,446,026
PENN VIRGINIA CORP.....	77,900	5,155,422	2,737,957
PEROT SYSTEMS CORP.....	282,500	5,028,500	4,214,014
PETROHAWK ENERGY CORP.....	129,800	4,492,378	3,650,134
PG&E CORP.....	105,808	4,373,045	4,576,541
PIONEER NATURAL RESOURCE CO.....	22,000	1,389,740	925,623
PLAINS EXPLORATION & PRODUCTION.....	78,700	4,241,930	2,764,867
PLUM CREEK TIMBER CO INC.....	24,456	1,213,507	1,014,207
POST PROPERTIES INC.....	61,307	1,928,105	2,481,474
PPL CORP.....	83,139	3,638,994	3,339,286
PROLOGIS TRUST.....	185,720	7,997,104	9,765,877
PROSPERITY BANCSHARES INC.....	104,368	3,336,645	3,150,714
PS BUSINESS PARKS INC.....	35,901	1,932,551	1,971,182
PUBLIC SERVICE ENTERPRISE GROUP INC.....	58,921	2,402,209	1,815,737
PUBLIC STORAGE INC.....	162,073	14,314,287	13,206,017

**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 2008

SCHEDULE A  
(CONTINUED)

SECURITY	SHARES	VALUE (\$)	COST (\$)
PUGET ENERGY INC.....	12,615	351,959	326,672
QUEST RESOURCE CORP.....	6,800	32,708	69,700
QUESTAR CORP.....	6,443	334,327	310,063
RAYONIER INC.....	11,620	522,784	529,955
REGENCY CENTERS CORP.....	104,165	6,455,105	6,866,375
REX ENERGY CORP.....	26,800	537,876	513,133
ROGERS CORP.....	74,810	2,993,148	3,041,485
RUBY TUESDAY INC.....	222,000	1,551,780	5,693,345
SAFeway INC.....	48,273	1,271,511	1,413,251
SARA LEE CORP.....	461,009	6,223,622	6,172,930
SCHLUMBERGER LTD.....	83,571	7,874,060	5,577,411
SEMPRA ENERGY.....	47,915	2,775,237	2,861,044
SENIOR HOUSING PROPERTIES TRUST.....	37,280	808,230	672,113
SIERRA PACIFIC RESOURCES.....	70,046	787,317	765,739
SIMON PROPERTY GROUP INC.....	214,611	20,362,292	18,564,494
SL GREEN REALTY CORP.....	78,917	6,786,862	7,143,897
SMITH INTERNATIONAL INC.....	56,022	3,904,733	3,636,444
SOUTH FINANCIAL GROUP INC.....	323,641	2,200,759	7,644,671
SOUTHERN UNION CO.....	52,419	1,366,039	1,461,559
SOUTHWESTERN ENERGY CO.....	81,800	3,138,666	1,324,426
STARWOOD HOTELS & RESORTS.....	390,495	14,155,445	18,546,371
STONE ENERGY CORP.....	88,307	4,209,595	4,112,828
STRATEGIC HOTELS & RESORTS INC.....	123,822	1,141,638	2,628,969
SUNSTONE HOTEL INVESTMENT INC.....	5,780	81,960	156,888
SYNOPSIS INC.....	357,900	7,705,587	7,195,704
TANGER FACTORY OUTLET CENTERS INC.....	59,084	2,370,450	2,195,965
TARGET CORP.....	79,700	4,225,694	4,153,535
TAUBMAN CENTERS INC.....	67,574	3,280,042	3,239,376
TECO ENERGY INC.....	21,255	379,189	398,186
TREASURE ISLAND.....	511	307	347
TXCO RESOURCE INC.....	23,100	279,741	309,345
UDR INC.....	88,773	2,199,795	2,264,883
UNITED HEALTH GROUP INC.....	47,630	1,450,334	1,601,204
UNIVERSAL HEALTH SERVICES INC.....	144,900	8,951,922	6,753,176
VENTAS INC.....	171,269	7,779,038	7,429,594
VERASON ENERGY CORP.....	26,900	154,944	402,832
VISHAY INTERTECHNOLOGY INC.....	173,060	1,538,503	2,505,149
VORNADO REALTY.....	164,303	16,341,577	13,956,693
WARREN RESOURCE INC.....	15,517	175,187	207,378
WEINGARTEN REALTY INVESTMENT.....	29,314	968,828	924,664
WILLIAMS CLAYTON ENERGY INC.....	29,564	2,392,910	1,093,104
WILLIAMS COS INC.....	229,302	7,083,139	6,385,732
WYNDHAM WORLDWIDE CORP.....	55,416	1,068,420	1,272,532
XCEL ENERGY INC.....	27,549	565,030	578,827
<b>TOTAL DOMESTIC COMMON STOCKS</b>		<b>687,030,088</b>	<b>659,949,000</b>
<b>FOREIGN COMMON STOCKS</b>			
5N PLUS INC.....	6,600	47,888	79,239
A&D CO LTD.....	12,000	89,454	121,081
A2A SPA.....	109,759	345,485	336,086
ACOM CO.....	4,050	114,195	124,706

**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 2008

SCHEDULE A  
(CONTINUED)

SECURITY	SHARES	VALUE (\$)	COST (\$)
ADVANTAGE ENERGY INCOME FUND.....	6,500	74,393	81,212
AECON GROUP INC.....	101,700	1,607,279	1,428,797
AEON MALL CO NPV.....	197,000	5,736,190	5,141,119
AGGREKO.....	37,100	488,567	419,709
AGNICO EAGLE MINES LTD.....	15,200	870,048	638,430
AICA KOGYO CO.....	42,000	374,236	418,730
AIFUL CORP.....	20,000	163,649	257,570
AIR WATER INC.....	10,000	125,132	112,175
AISIN SEIKI CO.....	27,000	721,493	873,143
AKER KVAERNER.....	136,450	3,147,119	1,190,643
ALAPIS HOLDINGS INDUSTRIAL.....	112,400	282,972	378,231
ALBERTA CLIPPER ENERGY INC.....	4,525	11,784	16,337
ALEXCO RESOURCE CORP.....	8,100	20,864	37,536
ALFA LAVAL NVP.....	48,000	661,440	460,577
ALTAGAS.....	3,200	76,871	85,020
AMADA.....	64,000	393,347	805,765
AMADEUS ENERGY NPV.....	57,429	23,987	32,349
AMB GENERALI HOLDING AG.....	3,400	577,151	491,238
AMG ADVANCED METALLURGICAL GROUP.....	5,600	339,925	415,204
ANGLE ENERGY.....	38,200	248,696	128,377
ANGLO AMERICAN PLC ADR.....	38,222	1,016,705	604,298
ANTOFAGASTA PLC.....	140,600	1,588,691	1,032,852
AOKI HOLDINGS INC.....	69,500	923,465	1,246,579
AOYAMA TRADING.....	5,000	91,638	133,859
APAMANSHOP HOLDINGS CO LTD.....	492	19,630	114,581
ARAKAWA CHEMICAL.....	11,000	117,779	135,387
ARCS CO LTD.....	10,500	147,934	150,801
ARMTEC INFRASTRUCTURE INC FUND.....	3,400	86,680	78,031
ART CORP.....	2,800	30,264	87,917
ASAHI CHEMICAL INDUSTRY.....	53,000	251,997	379,587
ASAHI GLASS CO.....	66,000	709,717	731,449
ATCO LTD.....	5,400	247,110	292,986
ATS AUTOMATION TOOLING SYSTEM.....	12,100	99,211	62,793
AUGUSTA RESOURCE CORP.....	10,900	52,142	64,865
AURORA ENERGY RESOURCES INC.....	12,000	25,815	65,312
AUTONOMY CORP.....	26,000	545,361	495,556
AVENIR DIVERSIFIED INCOME.....	51,100	364,018	392,979
AVEVA GROUP PLC.....	22,200	595,633	404,309
AXELL CORP.....	132	445,169	517,113
BABCOCK INTERNATIONAL GROUP.....	37,700	413,265	421,626
BALOISE-HOLDINGS.....	14,000	1,204,534	1,560,790
BANKERS PETROLEUM LIMITED.....	188,200	861,226	634,574
BAYOU BEND PETROLEUM LTD.....	152,600	43,915	79,613
BAYTEX ENERGY TRUST.....	32,800	1,005,803	806,766
BE GROUP.....	50,500	463,927	643,952
BEAZLEY GROUP PLC.....	296,000	600,627	1,029,015
BECHTLE AG.....	9,400	283,287	396,923
BEKAERT SA.....	4,200	736,758	615,280
BELC CO.....	67,000	643,916	628,813
BELL AG BASEL.....	338	520,994	523,886
BELLUNA CO LTD.....	54,000	276,157	805,512

**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 2008

SCHEDULE A  
(CONTINUED)

SECURITY	SHARES	VALUE (\$)	COST (\$)
BENI STABILI SPA.....	298,984	320,406	331,818
BFI CANADA INCOME FUND.....	3,300	62,865	72,764
BG GROUP PLC.....	36,360	4,042,138	2,133,253
BHP BILLITON LTD.....	28,570	2,021,899	938,762
BIG YELLOW GROUP.....	81,894	509,727	529,984
BNK PETROLEUM INC.....	86,880	145,093	94,282
BOARDWALK REAL ESTATE INVESTMENT.....	41,877	1,529,123	1,696,245
BOBST AG.....	7,700	545,068	562,044
BOSTON PIZZA ROYALTIES.....	4,000	43,365	54,765
BOW VALLEY ENERGY LTD.....	38,100	161,409	38,672
BREAKER ENERGY LTD.....	46,200	461,194	469,381
BREMBO SPA.....	38,200	437,378	569,902
BRIT INSURANCE HOLDINGS.....	64,100	227,400	324,081
BRITISH LAND COMPANY PLC.....	923,628	12,896,005	18,313,453
BRIXTON PLC.....	270,171	1,176,509	1,886,738
BRONCO ENERGY LTD.....	232,800	1,954,918	2,654,348
BRONCO ENERGY LTD.....	75,000	629,806	455,634
BROOKFIELD PROPERTIES CORP.....	199,881	4,137,537	4,496,136
BUCHER INDUSTRIES.....	7,200	1,488,050	1,747,257
BURCKHARDT COMPRESSION HOLDING.....	1,100	284,427	354,959
BUZZI UNICEM SPA.....	13,900	276,145	383,155
CAC CORP.....	25,100	234,059	171,962
CAIRN ENERGY PLC.....	21,065	1,144,192	776,074
CALFRAC WELL SERVICES LTD.....	20,500	493,617	548,122
CAMECO CORP.....	10,700	321,856	429,710
CANADIAN APARTMENT PROPERTIES REIT.....	4,300	68,363	70,889
CANADIAN NATURAL RESOURCES LTD.....	26,340	2,240,217	910,859
CANADIAN REIT.....	44,177	1,239,632	1,280,651
CANADIAN SUPERIOR ENERGY INC.....	173,500	655,830	550,938
CANAM MANAC GROUP INC.....	22,700	200,474	289,556
CANEXT ENERGY LTD.....	5,051	4,194	8,782
CANON ELECTRONICS INC.....	33,800	624,455	1,176,589
CAPITACOMMERCIAL TRUST.....	573,000	688,775	972,506
CAPITAL & REGULAR PROPERTIES.....	85,776	289,826	521,875
CAPITALAND.....	1,123,100	3,478,294	5,003,356
CARRARO SPA ITL.....	32,800	216,000	391,452
CASIO COMPUTER CO.....	58,000	653,619	792,677
CASTELLUM.....	189,269	1,952,412	1,917,897
CATHEDRAL ENERGY SERVICES INC.....	5,200	56,914	81,319
CATLIN GROUP.....	158,200	942,834	1,175,532
CAWACHI LTD.....	5,000	107,118	119,544
CELESTICA INC.....	8,700	73,796	69,590
CELTIC EXPLORATION LTD.....	6,400	95,712	97,459
CENT PATTANA PUB.....	2,776,700	1,654,342	1,959,629
CENTURY LEASING SYSTEM.....	42,100	439,136	479,197
CENTURY OILFIELD SERVICES INC.....	261,500	493,466	402,319
CFE.....	4,400	464,465	421,575
CHARTER PLC.....	74,800	1,298,828	479,957
CHATEAU STORES CANADA LTD.....	9,900	128,905	127,632
CHAUCER HOLDINGS.....	162,800	203,403	199,866
CHEMRING GROUP.....	11,800	500,616	392,686



**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 2008

SCHEDULE A  
(CONTINUED)

SECURITY	SHARES	VALUE (\$)	COST (\$)
CHEMTRADE LOGISTIC INCOME FUND.....	63,500	844,789	720,103
CHINA OVERSEAS LAND & INVESTMENT.....	2,475,700	4,155,376	4,795,327
CHIYODA INTEGRE CO.....	32,100	451,071	737,105
CHUBU SHIRYO CO.....	48,000	310,491	290,339
CHURCHILL CORP.....	44,200	667,264	1,132,009
CINEPLEX GALAXY INCOME FUND.....	14,500	213,153	280,398
CITY DEVELOPMENTS STOCK.....	495,800	3,645,975	4,688,696
COGECO CABLE INC.....	45,400	1,884,795	1,316,682
COGECO INC.....	17,300	559,228	545,736
COMPTON PETROLEUM CORP.....	253,200	2,144,604	3,126,276
COMPTON PETROLEUM CORP.....	55,531	473,653	595,442
CONSUMERS WATERHEATER INC.....	4,700	48,337	66,167
CORE LABORATORIES.....	8,400	1,042,776	368,278
CORIO.....	26,654	1,975,410	2,298,009
CORK EXPLORATION INC.....	5,750	20,182	52,146
CORPORACION FINANCIERA ALBA.....	17,400	921,705	1,119,491
CORRIDOR RESOURCES INC.....	8,200	44,874	81,666
COSMO OIL.....	237,000	703,193	798,449
COUNTRY GARDEN HOLDINGS CO.....	268,980	120,967	210,992
CREDIT SAISON CO.....	5,000	102,281	107,944
CRESCENT POINT ENERGY TRUST.....	34,200	1,266,224	839,624
CRESCENT POINT ENERGY TRUST.....	61,900	2,291,792	1,626,415
CREW ENERGY INC.....	57,991	820,743	791,939
CROSSHAIR EXPLORATION & MINING CORP.....	36,500	13,259	77,896
DAIFUKU CO.....	9,000	74,803	117,228
DAIICHI KOSHO CO.....	13,300	137,381	156,911
DAISHINKU CORP.....	130,000	552,223	804,402
DAIWA HOUSE INDUSTRY CO.....	320,900	3,193,476	4,179,249
DALSA CORP.....	5,200	47,101	78,731
DANIELI.....	32,100	950,383	965,509
DAVID JONES LIMITED.....	502,900	1,883,974	1,460,762
DAVIS HENDERSON INCOME FUND.....	33,300	513,709	704,417
DAYLIGHT RESOURCES TRUST.....	89,876	1,102,409	877,213
DELPHI ENERGY CORP.....	24,200	57,084	79,355
DENISON MINES CORP.....	10,600	60,109	56,595
DENYO CO LTD.....	11,000	89,095	125,362
DERWENT VALLEY HOLDINGS.....	172,047	3,433,028	4,886,030
DEXUS PROPERTY GROUP.....	715,524	911,990	1,090,691
DIC ASSET.....	140,418	2,850,812	3,918,763
DIVESTCO INC.....	38,300	66,492	92,863
DOREL INDUSTRIES INC.....	9,200	293,313	315,715
DOSHISHA CO.....	50,000	713,660	908,893
EASYHOME LTD.....	4,750	73,053	51,263
ELDORADO GOLD CORP.....	130,900	1,038,037	676,192
ELECTRIC POWER DEVELOPMENT.....	3,000	111,126	113,246
ELRINGKLINGER AG.....	9,300	215,100	387,831
EMBER RESOURCES INC.....	17,515	23,136	48,699
EMENTOR.....	47,500	290,684	436,959
EMGP.....	44,959	4,231,583	6,112,132
EMPIRE CO LTD.....	13,100	576,852	578,716
ENCANA CORP.....	10,100	756,490	666,603

**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 2008

SCHEDULE A  
(CONTINUED)

SECURITY	SHARES	VALUE (\$)	COST (\$)
ENERFLEX SYSTEMS INCOME FUND.....	14,300	214,530	192,504
ENERGY XXI BERMUDA LTD.....	35,000	163,800	215,681
ENSIGN ENERGY SERVICES INC.....	49,200	1,109,942	1,086,536
EPSILON ENERGY LTD.....	22,400	123,217	91,452
EQUITABLE GROUP INC.....	19,700	392,383	456,154
ERAMET.....	3,150	1,741,924	1,667,507
ERIKS GROUP.....	4,800	296,806	437,593
ES-CON JAPAN LTD.....	134	22,225	200,615
ESSO.....	4,623	932,451	1,296,926
EUROCOMMERCIAL PROPERTY NV CVA.....	11,954	505,099	692,945
EXEDY CORPORATION.....	4,300	98,461	119,037
F.C.C.....	21,100	349,771	360,386
FAIRBORNE ENERGY LTD.....	9,974	127,798	101,788
FERREXPO PLC ORD.....	112,400	526,368	852,949
FIRST CALGARY PETES LTD.....	68,123	161,976	345,433
FIRST PACIFIC CO.....	502,000	311,308	368,692
FIRST QUANTUM MINERALS LTD.....	17,400	1,124,593	1,730,900
FLIGHT CENTRE LTD.....	15,000	246,992	382,652
FLUGHAFEN ZURICH AG.....	900	328,584	398,564
FLY ME INTERNATIONAL.....	24,100	318,026	676,397
FORDING CANADIAN COAL TRUST.....	45	4,027	967
FREEHOLD ROYALTY TRUST.....	5,800	126,414	83,835
FUBON BANK(HONG KONG) LTD.....	497,000	271,910	306,580
FUJI MACHINE MANUFACTURING.....	49,800	720,442	981,811
FUJI SEIKO LTD.....	24,000	66,565	161,557
FUJIREBIO INC.....	33,000	744,989	760,792
FUJITSU KIDEN.....	17,000	161,345	149,304
FURUNO ELECTRIC CO.....	10,000	117,208	121,199
FUTABA INDUSTRIAL.....	132,200	2,148,821	2,737,328
GABRIEL RESOURCES LTD.....	32,500	68,689	85,961
GAGFAH SA.....	15,252	213,994	229,740
GALLEON ENERGY INC.....	21,368	285,081	343,156
GALLEON ENERGY INC.....	223,959	2,987,951	1,819,614
GAME GROUP PLC.....	491,100	2,416,264	1,746,851
GEA GROUP.....	14,400	455,597	398,240
GEMALTO.....	12,500	538,659	379,965
GENERAL DE ALQUILER DE MAQUINARIA.....	12,700	238,581	424,704
GENIVAR INCOME FUND.....	4,200	103,786	107,132
GENNUM CORP.....	7,300	66,605	71,157
GERDAU AMERISTEEL CORP.....	78,700	1,113,837	1,228,728
GILDEMEISTER.....	22,600	546,007	512,743
GLACIER VENTURES INTERNATIONAL CORP.....	20,600	74,831	87,287
GLOUCESTER COAL LTD.....	58,000	584,410	446,563
GOLDCORP INC.....	80,355	2,726,445	1,524,352
GOLDCREST CO.....	3,000	49,648	111,599
GRANDE CACHE COAL CORP.....	100,700	497,870	902,967
GREAT EAGLE HOLDINGS.....	520,779	1,454,625	1,629,308
GREAT LAKES HYDRO INCOME FUND.....	4,500	87,635	82,834
GREAT PORTLAND ESTATES.....	948,993	6,343,806	9,339,950
GRIFOLS SA.....	28,300	845,793	586,244
GRUPO CATALANA OCCIDENTE SA.....	15,700	450,498	609,831

**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 2008

SCHEDULE A  
(CONTINUED)

SECURITY	SHARES	VALUE (\$)	COST (\$)
GUANGZHOU R&F PROPERTIES.....	2,490,700	4,372,028	5,762,433
HAKUTO CO.....	12,000	106,593	110,848
HAMMERSON.....	372,432	6,466,911	7,426,920
HANFENG EVERGREEN INC.....	6,300	57,778	38,947
HANG LUNG PROPERTIES.....	1,256,400	4,024,472	5,248,165
HEIWA CORP.....	107,000	963,272	1,223,699
HEMISPHERE GPS INC.....	184,300	535,589	851,174
HENDERSON LAND DEVELOPMENT CO.....	287,000	1,746,693	2,166,849
HERITAGE OIL CORP.....	594,600	2,171,752	3,303,822
HEROUX-DEVTEK INC.....	108,400	715,950	860,305
HIGHPINE OIL & GAS LTD.....	70,915	909,981	668,070
HIKARI BUSINESS.....	43,557	313,057	346,816
HIKARI TSUSHIN INC.....	20,000	514,167	654,458
HISAMITSU PHARMACY CO.....	38,800	1,737,554	1,126,423
HISCOX LTD ORD.....	82,300	372,651	438,755
HITACHI CAPITAL.....	90,000	1,376,642	1,160,030
HITACHI CONSTRUCTION MACHINERY.....	20,000	477,309	598,125
HITACHI HIGH TECHNOLOGIES CORP.....	6,000	112,232	124,296
HITACHI KOKI.....	7,000	83,658	104,554
HITACHI SOFTWARE ENGINEERING.....	10,000	205,943	218,136
HITACHI SYSTEMS & SERVICES.....	11,000	166,026	260,794
HODOGAYA CHEMICAL.....	53,000	119,650	183,999
HOKKAN HOLDINGS LIMITED.....	43,000	112,527	153,700
HOME CAPITAL GROUP INC.....	2,300	74,978	85,436
HONG KONG AND SHANGHAI HOTELS.....	1,041,161	1,491,423	1,750,383
HONG KONG LAND HOLDINGS.....	4,427,400	16,027,188	18,644,169
HOSIDEN CORP.....	21,000	353,338	244,576
HSE INTEGRATED LTD.....	666	597	1,219
HUFVUDSTADEN FAST.....	167,164	1,418,552	1,270,202
HUNTING PLC.....	168,200	2,739,620	684,633
HUSKY ENERGY INC.....	50,520	2,237,495	947,292
HYSAN DEVELOPMENT.....	2,898,268	7,983,953	8,044,402
IBJ LEASING CO LIMITED.....	28,000	522,461	612,216
ICOM INCORPORATED.....	6,000	141,811	159,845
IFI ISTIT FINANCE INDUSTRY SPA.....	12,600	272,634	525,023
IFIL INVESTMENTS SPA.....	200,800	1,308,449	1,837,282
IINET NPV.....	212,896	322,689	437,439
IMMOBILIARE GRANDE DISTRIBUZIO.....	966,825	2,855,357	2,920,504
IMS INTERNATIONAL METAL.....	19,500	442,978	887,559
INCITEC PIVOT.....	18,000	2,474,365	933,378
INDIGO BOOKS & MUSIC INC.....	4,900	69,349	76,928
INDOFOOD AGRI RESOURCES LTD.....	715,900	561,887	1,252,270
INDUSTRIA MACCHINE AUTOMATICHE.....	20,100	424,323	452,656
INGERSOLL-RAND COMPANY LTD.....	171,335	6,327,402	7,608,339
INMET MINING CORP.....	16,200	977,487	782,253
INNOTECH CORP.....	38,000	122,903	273,383
INTERNATIONAL POWER.....	243,700	1,756,873	1,071,792
ITERATION ENERGY LTD.....	14,199	83,866	93,322
ITM POWER.....	24,300	23,380	86,900
ITOHAM FOOD.....	68,000	357,153	369,919
IZUMI CO.....	7,000	102,686	116,732

**PERMANENT UNIVERSITY FUND**  
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SCHEDULE A  
(CONTINUED)

SECURITY	SHARES	VALUE (\$)	COST (\$)
JAPAN DIGITAL LABORATORY CO.....	10,000	123,382	145,104
JAPAN REAL ESTATE INVESTMENT CO.....	57	537,830	706,520
JB HI-FI.....	32,600	388,840	437,630
JKX OIL & GAS.....	44,300	350,676	384,502
K K DAVINCI ADVISORS.....	3,240	1,062,834	2,683,147
KAGA ELECTRONICS CO.....	9,000	112,370	120,996
KAKEN PHARMACEUTICAL.....	35,000	315,411	281,534
KAWASAKI KISEN KAISHA.....	91,000	655,720	857,214
KAYABA INDUSTRY CO.....	72,000	266,704	369,525
KEIYO BANK LTD.....	18,000	85,086	121,207
KEIYO CO.....	89,000	447,768	625,454
KELLER GROUP.....	19,500	280,802	434,817
KENEDIX INC JAPAN.....	289	166,703	395,154
KENNEDIX REALTY INVESTMENT.....	93	421,617	526,475
KERRY PROPERTIES LTD.....	1,725,300	8,311,769	10,930,826
KEYERA FACILITIES.....	26,000	571,590	582,402
KIER GROUP.....	45,900	966,958	839,987
KITAGAWA INDUSTRIES.....	9,000	111,126	121,193
KLEPIERRE.....	56,047	2,251,840	2,843,371
KOBE STEEL.....	247,000	600,857	772,306
KOHNAN SHOJI.....	34,000	460,226	463,706
KOITO MANUFACTURING CO.....	74,000	902,114	1,036,915
KOMORI CORPORATION.....	28,000	414,356	603,453
KONECRANES.....	8,400	279,616	319,568
KONISHI CO.....	13,000	117,273	133,783
KUJIMORI KOGYO CO, LTD.....	17,000	186,722	132,782
KURODA ELECTRIC NPV.....	35,000	409,583	521,395
KYODO PRINTING CO.....	65,000	176,088	297,047
LABRADOR IRON ORE ROYALTY TRUST.....	19,500	1,025,182	946,172
LAND SECURITIES GROUP.....	319,849	7,934,085	9,874,497
LASSONDE INDUSTRIES INC.....	2,000	88,239	64,026
LAURENTIAN BANK OF CANADA.....	60,200	2,283,380	2,211,686
LAURUS NV.....	70,700	387,208	427,994
LAVENDON GROUP.....	197,249	985,776	1,150,643
LEADER ENERGY SERVICES LTD.....	10,621	1,102	15,648
LIBERTY INTERNATIONAL PLC.....	15,348	274,761	277,298
LIFESTYLE INTERNATIONAL HOLDINGS.....	1,901,200	2,435,952	4,726,950
LIVINGSTON INTERNATIONAL INCOME FUND.....	5,400	81,776	86,236
LUKOIL CO.....	8,800	653,840	721,477
LUMENIS LTD.....	121	169	190
LYNDEN ENERGY CORP.....	14,100	15,565	10,987
MACARTHUR COAL LTD.....	23,600	272,346	328,965
MACQUARIE COUNTRYWIDE.....	239,805	215,813	212,107
MACQUARIE GOODMAN GROUP.....	103,043	282,195	415,805
MAJOR DRILLING GROUP INTERNATIONAL INC.....	28,400	1,152,239	674,438
MANDARIN ORIENTAL INTERNATIONAL.....	1,985,000	3,493,600	2,561,845
MANZ AUTOMATION.....	1,500	316,902	444,707
MARUBENI CORP.....	139,000	874,794	764,014
MARUBUN CORP.....	52,100	330,771	667,967
MATRIKON INC.....	21,300	99,481	81,451
MEGAWORLD CORP.....	32,862,500	1,044,958	2,443,081

**PERMANENT UNIVERSITY FUND**  
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SCHEDULE A  
(CONTINUED)

SECURITY	SHARES	VALUE (\$)	COST (\$)
MERCATOR MINERALS LTD.....	8,500	66,005	73,392
MERCIALYS.....	19,279	829,366	907,888
MIDNIGHT OIL EXPLORATION LTD.....	26,400	59,035	90,141
MIGAO CORP.....	9,200	65,972	67,842
MINERVA.....	152,076	346,030	823,066
MINISTOP CO.....	6,200	120,258	120,608
MIRVAC GROUP.....	265,572	660,974	924,679
MITSUBISHI ESTATE.....	828,000	18,578,024	21,276,197
MITSUBISHI MATERIAL CORP.....	129,000	464,769	727,550
MITSUMI FUDOSAN CO.....	586,300	12,452,628	13,359,446
MITSUMI O.S.K. LINES LTD.....	78,000	940,097	771,613
MITSUMI TRUST HOLDINGS NPV.....	18,000	101,009	114,718
MOCHIDA PHARMACEUTICAL.....	35,000	428,288	372,933
MONTEREY EXPLORATION LTD.....	34,600	121,117	126,642
MORGUARD REIT.....	5,600	67,368	85,050
N.I.C. CORP.....	26,000	89,362	131,386
NABORS INDUSTRIES.....	84,800	3,018,880	3,808,953
NAKAKITA SEISAKUSH.....	14,000	83,852	126,019
NANTO BANK.....	74,000	404,349	365,131
NATURAL OIL & GAS TRUST.....	5,900	85,952	76,349
NEC CORP.....	66,000	310,159	337,478
NEC MOBILING LTD.....	8,000	123,769	111,358
NEW GOLD INC.....	9,600	50,724	90,675
NEW WORLD CHINA.....	841,400	310,482	579,595
NEWALTA INCOME FUND.....	4,100	67,698	81,786
NEXEN INC.....	78,400	2,451,568	2,881,069
NIPPON FINE CHEMICAL CO.....	60,953	338,675	372,241
NIPPON LIGHT METAL CO.....	320,000	489,472	799,003
NIPPON MINING HOLDING.....	127,000	719,696	1,012,197
NIPPON PILLAR PACKING CO.....	41,000	205,519	455,260
NIPPON SEIKI CO.....	26,000	329,178	350,467
NIPPON SHINYAKU CO.....	48,000	603,290	451,785
NIPPON SHOKUBAI CO.....	113,000	731,988	814,464
NIPPON YAKIN KOGYO.....	12,000	59,931	154,585
NISHI-NIPPON CITY BANK LTD.....	57,000	151,265	151,686
NISSAN SHATAI CO.....	122,000	919,567	926,308
NISSHIN STEEL CO.....	209,000	566,192	859,334
NITTA CORP.....	19,000	293,425	348,083
NOBLE CORP.....	10,900	548,161	422,451
NOBLE GROUP.....	1,147,080	1,573,509	1,487,310
NOKIAN RENKAAT.....	7,600	273,238	374,849
NOMURA REAL ESTATE NOMURA.....	75	542,502	571,761
NOMURA RL EST INC.....	4,500	93,711	142,904
NORITAKE INC.....	29,000	110,362	116,673
NORTH WEST COMPANY.....	4,800	75,497	50,153
NORTHBRIDGE FINANCIAL CORP.....	6,300	170,005	227,972
NORTHLAND POWER INCOME FUND.....	6,500	79,115	81,634
NOVAGOLD RESOURCES INC.....	68,000	440,640	1,021,602
NTT URBAN DEVELOPMENT CORP.....	4,817	6,524,755	7,557,032
NUVISTA ENERGY LTD.....	5,000	70,765	76,531
ODIM ASA.....	19,700	312,320	343,097

**PERMANENT UNIVERSITY FUND**  
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SCHEDULE A  
(CONTINUED)

SECURITY	SHARES	VALUE (\$)	COST (\$)
OIL SEARCH LTD.....	69,200	357,570	360,335
OKAYA & CO LTD.....	10,000	117,853	136,698
OMV AG.....	15,300	985,713	1,003,043
ONESTEEL LTD.....	52,600	309,846	330,994
ONO PHARMACEUTICAL CO.....	15,000	785,073	820,874
ORCO PROPERTY.....	46,458	1,744,144	5,260,180
ORIENT EXPRESS HOTELS LTD.....	112,250	4,029,775	2,525,336
ORIFLAME COSMETICS.....	4,800	279,524	368,471
ORIGIN ELECTRIC CO.....	20,000	110,942	117,985
ORIGIN ENERGY.....	163,060	2,267,900	1,154,539
ORIOLA KD CORP.....	85,100	300,692	302,344
OSAKA STEEL CO.....	15,700	202,679	199,194
OSTASIATISKE KOMPA.....	4,100	249,297	375,446
PACIFIC BASIN SHIP.....	348,000	477,094	531,736
PACIFIC RODERA ENERGY INC.....	23,700	10,286	33,183
PACIFIC RUBIALES ENERGY CORP.....	46,950	458,049	371,470
PAN ORIENT ENERGY CORP.....	13,900	110,822	189,414
PANAUST LIMITED.....	340,100	254,818	395,383
PARKLAND.....	68,782	689,864	771,308
PARTNERS GROUP HOLDING.....	2,700	361,360	399,871
PASON SYSTEMS INC.....	28,600	417,727	267,897
PAXTON CORP.....	2,667	7,196	2,312
PEAB INDUSTRIES AB.....	24,900	203,547	251,202
PENGROWTH ENERGY TRUST.....	973	17,305	19,085
PENN WEST ENERGY TRUST.....	25,592	752,656	407,295
PER AARSLEFF.....	5,830	707,825	585,674
PETRO ANDINA RESOURCE.....	33,600	250,134	196,535
PETRO ANDINA RESOURCE.....	3,200	23,822	26,228
PETROBANK ENERGY & RESOURCES.....	23,800	1,053,187	1,285,454
PETROCHINA CO LTD.....	7,100	917,320	1,028,562
PETROFAC LTD.....	155,100	1,845,888	1,918,654
PETROLEO BRASILEIRO SA.....	23,020	1,214,075	1,120,928
PETROLIFERA PETROLEUM LTD.....	31,612	153,608	270,530
PEYTO ENERGY TRUST.....	4,100	67,195	82,578
PHOENIX SOLAR AG.....	6,900	505,590	329,235
PIERRE & VACANCES.....	2,800	248,492	397,293
PIOLAX CO.....	19,900	366,552	378,153
PLENUS CO.....	26,000	387,874	328,880
POTASH CORP OF SASKATCHEWAN INC.....	32,600	5,659,360	1,964,488
PRECISION DRILLING TRUST.....	41,780	884,065	990,733
PRESS KOGYO CO.....	79,000	309,376	344,596
PRIMARIS RETAIL REAL ESTATE INVESTMENT.....	16,951	280,211	293,909
PROEX ENERGY LTD.....	22,200	425,211	355,526
PROMISE CO.....	27,000	612,025	847,486
PROPERST CO LTD.....	673	184,490	820,325
PROSPEX RESOURCES LTD.....	20,800	60,643	56,871
QUADRA MINING LTD.....	4,800	76,766	91,502
QUADRISE CANADA CORP.....	25,520	65,735	150,240
RALLYE.....	5,300	242,359	393,427
RATOS AB.....	12,000	329,786	342,444
RAYMARINE.....	68,900	155,831	443,142

**PERMANENT UNIVERSITY FUND**  
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SCHEDULE A  
(CONTINUED)

SECURITY	SHARES	VALUE (\$)	COST (\$)
RAYSUM CO LTD.....	148	58,300	119,911
RECORDATI.....	48,100	335,664	355,807
REXCAPITAL FINANCIAL.....	2,677,000	192,078	372,611
REXEL PROMESSES.....	43,833	667,918	716,458
RICOH LEASING CO LTD.....	12,800	258,890	342,242
RISANAMENTO SPA.....	695,025	1,241,203	3,626,189
RIVERBANK POWER CORP.....	714,500	1,348,304	772,391
SAFESTORE HOLDINGS.....	110,885	273,036	326,700
SAIPEM.....	43,320	1,718,176	736,449
SALZGITTER AG.....	15,300	2,365,170	739,607
SANKYO CO.....	13,000	620,502	883,485
SANWA SHUTTER CORP.....	30,000	112,785	175,887
SARANTIS.....	23,700	334,966	455,258
SASKATCHEWAN WHEAT POOL.....	8,400	97,089	80,085
SAVANNA ENERGY SERVICES CORP.....	115,810	2,191,960	2,091,474
SCOR SA.....	34,300	796,356	935,003
SEADRILL LTD.....	80,400	2,211,119	1,485,938
SEB SA.....	19,500	1,064,238	1,176,868
SEGRO PLC.....	684,455	5,480,528	6,426,223
SEKISUI CHEMICAL.....	109,000	683,981	855,183
SEMCON AB.....	43,100	375,813	550,074
SGL CARBON AG.....	6,600	398,391	423,866
SHANGRI-LA ASIA.....	1,612,500	3,111,471	4,678,259
SHERRITT INTERNATIONAL CORP.....	126,200	1,137,151	1,634,730
SHOHKOH FUND & CO.....	21,160	1,745,054	2,351,853
SIEMENS AG.....	39,000	4,243,200	4,269,982
SILIC.....	2,333	302,671	338,962
SILVER STAND RESOURCE INC.....	60,460	1,519,964	1,043,736
SILVER WHEATON CORP.....	67,899	782,196	754,241
SIMS GROUP LTD.....	13,800	408,829	377,864
SINGAPORE PETROLEUM.....	81,000	306,990	403,283
SINO LAND CO.....	30,570	54,131	82,106
SMIT INTERNATIONAL.....	3,300	255,942	375,407
SOL MELIA.....	382,775	3,313,618	5,651,752
SOLO AG.....	10,200	638,070	837,495
ST BARBARA LTD.....	486,500	90,079	365,549
STANLEY ELECTRIC CO.....	7,000	142,870	138,760
STATOIL HYDRO ASA.....	43,353	1,342,558	1,467,565
STATOIL HYDRO ASA.....	106,887	3,273,949	2,751,222
STOCKLAND.....	380,560	1,727,181	2,259,660
STOCKMANN AB OY.....	16,500	467,380	755,350
STRAITS ASIA RESOURCES.....	231,000	416,511	509,192
SUMITOMO CORP.....	69,630	882,846	614,293
SUMITOMO REALTY & DEVELOPMENT CO.....	370,000	7,517,623	9,556,607
SUN HUNG KAI PROPERTIES.....	337,702	4,655,721	5,667,487
SUNCOR ENERGY INC.....	31,960	1,816,606	810,690
SUNTEC REAL ESTATE INVESTMENT.....	515,000	531,660	565,192
SUZUKI MOTOR CO.....	25,000	533,287	568,525
TACHIBANA ELETECH NPV.....	15,000	126,330	157,824
TACHI-S CO.....	35,000	407,971	395,413
TAG OIL LTD.....	9,100	944	10,031

**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 2008

SCHEDULE A  
(CONTINUED)

SECURITY	SHARES	VALUE (\$)	COST (\$)
TAIKO BANK.....	51,000	103,386	143,404
TAKEFUJI.....	13,000	174,292	303,169
TANABE SEIYAKU CO.....	67,000	948,279	818,827
TECHNICOIL CORPORATION.....	28,800	22,011	47,275
TECHNIP SA.....	9,600	793,602	710,883
TECK COMINCO LTD.....	92,660	3,878,282	2,115,030
TECNICAS REUNIDAS.....	10,100	672,112	704,127
TEIKOKU PISTON.....	37,000	240,359	366,338
TEMENOS GROUP.....	31,600	832,904	758,099
TENARIS SA.....	23,600	1,290,684	1,387,583
THE LINK REAL ESTATE INVESTMENT.....	109,425	258,254	250,328
TOA CORP.....	23,000	135,213	218,718
TOAGOSEI CO LTD.....	122,000	466,528	486,041
TOCHIGI BANK.....	59,000	326,192	394,445
TOKYO GAS.....	31,000	130,541	120,741
TOKYO TEKKO CO.....	30,000	85,418	233,515
TOKYU LAND CORP.....	444,200	1,911,462	3,793,407
TOPDANMARK.....	4,700	696,819	638,588
TOSEI CORP.....	87	22,479	55,959
TOTAL ENERGY SERVICES TRUST.....	9,400	69,534	101,442
TOTAL SA.....	25,940	1,864,567	1,784,287
TOYODA GOSEI.....	4,000	90,486	112,296
TRAFALGAR ENERGY LTD.....	750	2,618	2,854
TRANSCANADA CORP.....	2,500	94,990	82,118
TRANSMISSION DEVELOPERS INC.....	543,100	512,431	510,816
TRANSPACIFIC INDUSTRY GROUP LTD.....	145,800	885,219	633,747
TRICAN WELL SERVICE LTD.....	59,514	1,203,925	1,200,118
TRIDENT RESOURCES CORP.....	7,300	0	311,234
TRIX MINERALS CORP.....	27,000	13,757	63,932
TRILOGY ENERGY TRUST.....	8,400	90,828	76,536
TRILOGY ENERGY TRUST.....	121,600	1,314,849	1,499,573
TRISTAR OIL & GAS LTD.....	41,779	839,246	657,053
TRISTAR OIL & GAS LTD.....	49,516	994,665	563,893
TRUE ENERGY TRUST.....	1,700	6,336	13,215
TULLOW OIL PLC.....	137,500	2,069,043	1,138,959
TURNKEY E&P INC.....	24,500	56,635	105,772
TUSK ENERGY CORP.....	104,519	196,247	384,879
UNIBAIL.....	63,941	13,377,828	14,919,341
UNILEVER NV NEW YORK.....	216,029	5,962,400	6,475,011
UNITED INDUSTRIAL CORP.....	31,000	52,827	31,322
UNITED INTERNET AG.....	18,200	266,342	438,749
URANIUM ONE INC.....	25,530	109,602	126,771
VALOR CO LTD.....	11,000	98,521	114,484
VEIDEKKE.....	133,800	860,864	427,853
VENTURE PRODUCTION.....	10,574	159,113	47,173
VERMILION ENERGY TRUST.....	11,800	478,747	452,077
VERO ENERGY INC.....	1,090	9,667	2,608
VON ROLL HOLDINGS.....	37,200	406,428	388,530
WAJAX INCOME FUND UNIT.....	24,300	804,306	471,966
WEATHERFORD INTERNATIONAL LTD.....	105,032	4,052,135	1,570,388
WELLSTREAM HOLDINGS.....	49,773	1,137,517	1,020,977



**PERMANENT UNIVERSITY FUND**  
**EQUITY SECURITIES**  
August 31, 2008

SCHEDULE A  
(CONTINUED)

SECURITY	SHARES	VALUE (\$)	COST (\$)
WEST JAPAN RAILWAY CO.....	80	389,956	365,625
WESTERN CANADIAN COAL CORP.....	228,200	1,365,087	1,286,518
WESTFIELD GROUP.....	338,888	5,046,092	5,569,383
WESTPORT INNOVATIONS INC.....	7,942	100,338	38,345
WESTSHORE TERMINAL INCOME FUND.....	6,100	102,391	100,031
WING HANG BANK.....	26,000	296,819	347,784
WING TAI HOLDINGS.....	2,646,600	2,526,364	4,831,159
WIRE CARD AG.....	73,000	895,261	727,810
WOOD GROUP PLC.....	413,060	3,591,838	2,098,077
WORLEY GROUP NPV.....	16,200	517,040	632,021
YAMAGUCHI FINANCIAL GROUP INC.....	9,000	104,658	111,493
YAMAHA MOTOR CO.....	43,400	680,643	846,700
YAMATO KOGYO.....	26,200	968,090	1,108,755
YONEX CO.....	4,780	29,863	37,659
YOROZU CORP.....	16,000	203,603	150,832
ZARGON ENERGY TRUST.....	3,500	74,138	84,032
<b>TOTAL FOREIGN COMMON STOCKS</b>		<u>517,804,410</u>	<u>567,234,495</u>
<b>OTHER - EQUITY SECURITIES</b>			
CROSSHAIR EXPLORATION & MINING CORP.....	14,100	67	137
SEAGATE TECHNOLOGY INC.....	42,300	0	0
<b>TOTAL OTHER - EQUITY SECURITIES</b>		<u>67</u>	<u>137</u>
<b>TOTAL EQUITY SECURITIES</b>		<u><u>1,204,834,565</u></u>	<u><u>1,227,183,632</u></u>

**PERMANENT UNIVERSITY FUND**  
**PREFERRED STOCKS AND CONVERTIBLE SECURITIES**  
August 31, 2008

SCHEDULE B

SECURITY	SHARES	VALUE (\$)	COST (\$)
<b>DOMESTIC PREFERRED STOCKS</b>			
DG FUNDING TRUST			
PRIVATE PLACEMENT.....	233	2,351,116	2,335,585
<b>TOTAL DOMESTIC PREFERRED STOCKS</b>		<u>2,351,116</u>	<u>2,335,585</u>
<b>CONVERTIBLE SECURITIES</b>			
WACHOVIA CORP			
PREFERRED CLASS A.....	100	80,322	100,000
<b>TOTAL CONVERTIBLE SECURITIES</b>		<u>80,322</u>	<u>100,000</u>
<b>TOTAL PREFERRED STOCKS AND CONVERTIBLE SECURITIES</b>		<u><u>2,431,438</u></u>	<u><u>2,435,585</u></u>

PERMANENT UNIVERSITY FUND

SCHEDULE C

PURCHASED OPTIONS

August 31, 2008

SECURITY	CONTRACTS	VALUE (\$)	COST (\$)
<b>PURCHASED OPTIONS</b>			
SWAPTIONS			
CALL AUG 09 003.450 ED 8/03/09.....	24	12,472	26,880
CALL AUG 09 003.450 ED 8/03/09.....	96	49,887	93,600
CALL AUG 09 003.450 ED 8/03/09.....	88	45,730	93,940
CALL AUG 09 003.450 ED 8/05/09.....	196	101,853	209,476
CALL AUG 09 003.450 ED 8/05/09.....	64	33,258	68,056
CALL AUG 09 003.500 ED 8/03/09.....	828	458,257	858,015
CALL AUG 09 003.850 ED 8/03/09.....	86	71,582	90,945
CALL AUG 09 005.000 ED 8/28/09.....	64	139,853	65,200
CALL AUG 09 005.000 ED 8/28/09.....	290	633,711	287,800
CALL AUG 09 005.000 ED 8/29/09.....	148	323,411	148,569
CALL FEB 09 003.000 ED 2/04/09.....	235	49,132	231,475
CALL FEB 09 003.300 ED 2/02/09.....	1,978	754,251	1,902,888
CALL FEB 09 003.500 ED 2/04/09.....	14	7,551	13,580
CALL JUL 11 004.250 ED 7/08/11.....	383	485,836	449,068
CALL SEP 09 004.000 ED 9/14/09.....	183	90,792	95,721
<b>TOTAL PURCHASED OPTIONS</b>		<b>3,257,576</b>	<b>4,635,213</b>

**PERMANENT UNIVERSITY FUND**  
**DEBT SECURITIES**  
August 31, 2008

SCHEDULE D

SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
<b>U. S. GOVERNMENT OBLIGATIONS</b>			
COMMIT TO PURCHASE FEDERAL HOME LOAN MORTGAGE CORP			
4.5% DUE 09/01/38.....	11,080,000	10,719,900	10,520,806
5% DUE 09/01/38.....	8,600,000	8,261,375	8,239,875
5.5% DUE 09/01/38.....	1,000,000	985,938	960,625
6% DUE 09/01/38.....	3,300,000	3,326,813	3,309,023
COMMIT TO PURCHASE FEDERAL NATIONAL MORTGAGE ASSOCIATION			
4% DUE 09/01/23.....	5,515,000	5,189,273	5,069,061
4.5% DUE 09/01/38.....	31,500,000	29,226,078	28,625,625
5% DUE 09/01/23.....	9,700,000	9,609,063	9,479,402
5% DUE 09/01/38.....	7,500,000	7,209,375	7,005,362
5% DUE 09/01/38.....	3,960,000	3,806,550	3,820,781
5.5% DUE 09/01/38.....	-8,000,000	-7,900,000	-7,789,725
6% DUE 09/01/38.....	-8,500,000	-8,582,348	-8,478,688
COMMIT TO PURCHASE GOVERNMENT NATIONAL MORTGAGE ASSOCIATION			
6% DUE 09/15/38.....	20,000,000	20,293,760	20,126,076
6% DUE 10/15/38.....	2,500,000	2,529,688	2,535,449
6.5% DUE 09/15/38.....	8,300,000	8,549,000	8,486,656
FEDERAL HOME LOAN BANK CONS			
6.435% BOND DUE 12/12/11.....	700,000	759,989	757,563
FEDERAL HOME LOAN MORTGAGE CORP			
2.7175% CMO 3346 FA DUE 02/15/19.....	1,873,816	1,821,665	1,873,377
2.8375% CMO DUE 12/15/30.....	154,403	152,119	154,741
2.9375% CMO 2266 F DUE 11/15/30.....	61,850	61,362	61,835
4% CMO DUE 09/15/18.....	6,375,000	5,917,717	5,993,496
4.27768% CMO T 62 1A1 DUE 10/25/44.....	1,174,682	1,128,339	1,181,670
4.5% CMO 3037 BC DUE 09/15/35.....	2,544,826	2,508,882	2,516,595
4.5% CMO 3170-EB DUE 06/15/21.....	485,000	444,081	444,059
4.5% PASS THRU 13-1271 DUE 01/01/36.....	3,880,057	3,632,262	3,624,216
4.5% PASS THRU 2649 QH DUE 07/15/18.....	955,000	924,519	920,978
4.5% PASS THRU 2948 KT DUE 03/15/20.....	3,578,672	3,329,518	3,453,418
4.5% PASS THRU 2999 NC DUE 12/15/18.....	4,250,000	4,118,695	4,137,109
4.5% PASS THRU A4-6882 DUE 09/01/35.....	5,173,875	4,819,900	4,787,452
4.5% PASS THRU G0-3585 DUE 11/01/37.....	12,803,536	11,888,839	11,873,279
4.875% NOTE DUE 06/13/18.....	300,000	306,772	305,871
5% CMO 2581 QG DUE 12/15/31.....	1,100,000	1,059,633	1,065,281
5% CMO 2750 XC DUE 03/15/27.....	9,429,000	9,544,758	9,322,924
5% CMO 3098-PC DUE 03/15/29.....	6,600,000	6,648,342	6,454,594
5% CMO 3234 PC DUE 07/15/32.....	9,000,000	8,754,988	8,580,938
5% CMO 3266 C DUE 02/15/20.....	2,210,181	2,233,125	2,181,172
5% CMO 3278 PC DUE 03/15/33.....	13,580,000	13,204,279	12,951,925
5% CMO 3336 GA DUE 05/15/27.....	1,272,471	1,288,704	1,250,401
5% NOTE DUE 02/16/17.....	500,000	511,332	516,288
5% PASS THRU 2924 MQ DUE 09/15/33.....	4,270,000	4,134,559	4,165,919
5% PASS THRU N3-1461 DUE 11/01/37.....	8,356,339	8,076,947	8,074,313
5.329% PASS THRU 78-6190 DUE 07/01/27.....	59,664	60,789	59,291
5.5% CMO DUE 11/15/33.....	3,763,555	3,413,967	3,695,718
5.5% PASS THRU GO-4585 DUE 02/01/38.....	93,000	91,782	90,210
5.766% PASS THRU 84-7040 DUE 02/01/29.....	713,093	721,963	739,834

**PERMANENT UNIVERSITY FUND**  
**DEBT SECURITIES**  
August 31, 2008

SCHEDULE D  
(CONTINUED)

SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
6% CMO R006 Z DUE 04/15/36.....	2,587,213	2,681,597	2,569,770
6% PASS THRU GO-4613 DUE 10/01/37.....	2,460,893	2,487,120	2,465,507
7% PASS THRU P0-0771 DUE 08/01/37.....	986,854	1,031,061	1,022,010
7.5% CMO 2206Z DUE 01/15/30.....	501,674	531,321	465,841
7.645% PASS THRU 30-0088 DUE 05/01/25.....	7,689,113	8,276,989	7,693,919
7.75% CMO 1394 IA DUE 10/15/22.....	2,829,265	3,040,111	2,805,745
8.5% CMO 1311-KA DUE 07/15/22.....	340,342	371,655	339,842
9.9% REMIC CMO 17-I DUE 10/15/19.....	134,624	144,213	133,997
10% REMIC CMO 18-D DUE 11/15/19.....	269,552	269,552	271,114
11% PASS THRU 17-0147 DUE 11/01/15.....	4,895	5,562	4,884
11.5% PASS THRU 17-0139 DUE 08/01/15.....	2,827	3,237	2,814
13.5% PASS THRU 17-0037 DUE 10/01/10.....	988	1,076	981
15.5% PASS THRU 17-0051 DUE 06/01/11.....	292	335	290
16.25% PASS THRU 17-0047 DUE 05/01/11.....	300	347	299
<b>FEDERAL NATIONAL MORTGAGE ASSOCIATION</b>			
2.61627% REMIC CMO 07-73 A1 DUE 07/25/37.....	658,990	646,086	651,577
3.35688% REMIC CMO 04-63 FA DUE 08/25/34.....	188,612	183,395	188,612
3.40688% REMIC CMO 07 114 A6 DUE 10/27/37.....	1,700,000	1,636,284	1,617,125
3.45688% REMIC CMO 04-W8 1AF DUE 06/25/44.....	191,424	190,737	191,304
3.60688% REMIC CMO 2002-08 F DUE 09/25/32.....	45,508	45,238	45,494
3.70688% REMIC CMO 2002-10 FB DUE 03/25/17.....	366,094	362,931	366,094
4% PASS THRU 0257194 DUE 03/01/23.....	1,951,515	1,838,146	1,918,278
4% PASS THRU 0899306 DUE 04/01/22.....	1,280,007	1,205,776	1,258,207
4% PASS THRU 0904977 DUE 03/01/22.....	756,122	712,272	743,244
4% PASS THRU 0960958 DUE 03/01/23.....	348,181	327,955	342,251
4% PASS THRU 0972015 DUE 02/01/23.....	1,831,482	1,725,087	1,800,290
4% REMIC CMO 04 08 LP DUE 01/25/19.....	4,938,000	4,815,831	4,763,627
4% REMIC CMO DUE 09/25/17.....	1,542,786	1,525,168	1,513,136
4.278% PASS THRU 0806506 DUE 10/01/44.....	25,434	25,272	25,524
4.5% PASS THRU 0841068 DUE 11/01/34.....	1,301,930	1,310,636	1,294,505
4.944% PASS THRU 0800171 DUE 12/01/34.....	429,692	434,096	438,286
5% PASS THRU 0254510 DUE 11/01/17.....	222,272	222,940	227,724
5% PASS THRU 0254545 DUE 12/01/17.....	32,781	32,879	33,585
5% PASS THRU 0653195 DUE 08/01/17.....	455,213	456,582	466,380
5% PASS THRU 0677681 DUE 02/01/18.....	7,706	7,730	7,895
5% PASS THRU 0745355 DUE 03/01/36.....	888,996	857,536	855,728
5% PASS THRU 0745581 DUE 05/01/36.....	4,265,695	4,114,741	4,105,731
5% PASS THRU 0906561 DUE 01/01/37.....	618,613	596,142	593,482
5% PASS THRU 0910898 DUE 02/01/37.....	351,946	338,647	337,648
5% REMIC CMO 03-26 AT DUE 11/25/32.....	1,400,000	1,289,335	1,330,438
5.343% PASS THRU 0594245 DUE 06/01/30.....	16,154	16,544	16,642
5.5% PASS THRU 0456654 DUE 02/01/14.....	35,714	36,408	37,140
5.5% PASS THRU 0535704 DUE 12/01/30.....	44,136	43,931	44,826
5.5% PASS THRU 0888129 DUE 02/01/37.....	891,280	881,839	859,807
5.5% PASS THRU 0903013 DUE 12/01/36.....	23,839	23,586	22,974
5.5% PASS THRU 0904436 DUE 02/01/37.....	30,763	30,412	29,648
5.5% PASS THRU 0908620 DUE 02/01/37.....	68,313	67,532	67,523
5.5% PASS THRU 0908884 DUE 02/01/37.....	525,051	519,050	506,018
5.5% PASS THRU 0909495 DUE 02/01/37.....	87,125	86,129	84,021

**PERMANENT UNIVERSITY FUND**  
**DEBT SECURITIES**  
August 31, 2008

SCHEDULE D  
(CONTINUED)

SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
5.5% PASS THRU 0910357 DUE 03/01/37.....	640,762	633,438	621,790
5.5% PASS THRU 0912396 DUE 02/01/37.....	101,780	100,702	98,154
5.5% PASS THRU 0912418 DUE 02/01/37.....	696,966	689,583	675,594
5.5% PASS THRU 0912647 DUE 02/01/37.....	953,101	942,207	925,067
5.5% PASS THRU 0912671 DUE 03/01/37.....	808,777	799,533	779,964
5.5% PASS THRU 0914021 DUE 03/01/37.....	788,071	779,064	759,996
5.5% PASS THRU 0916457 DUE 05/01/37.....	910,425	900,019	906,158
5.5% PASS THRU 0918326 DUE 05/01/37.....	984,096	972,847	979,483
5.5% PASS THRU 0918705 DUE 06/01/37.....	495,718	490,052	489,522
5.5% PASS THRU 0928197 DUE 03/01/37.....	833,414	823,888	823,778
5.5% PASS THRU 0936518 DUE 06/01/37.....	990,491	979,169	985,848
5.5% PASS THRU 0937288 DUE 04/01/37.....	1,932,958	1,910,864	1,913,628
5.5% PASS THRU 0937344 DUE 06/01/37.....	1,928,356	1,906,315	1,914,134
5.5% PASS THRU 0938777 DUE 06/01/37.....	932,845	922,183	928,473
5.5% PASS THRU 0939486 DUE 06/01/37.....	908,484	898,100	904,226
5.5% PASS THRU 0939736 DUE 06/01/37.....	935,746	925,051	931,360
5.5% PASS THRU 0940248 DUE 06/01/37.....	878,650	868,607	874,531
5.5% PASS THRU 0941338 DUE 08/01/37.....	952,588	941,699	948,122
5.5% PASS THRU 0946153 DUE 09/01/37.....	956,541	945,607	952,057
5.5% PASS THRU 0952568 DUE 09/01/37.....	488,720	483,134	486,429
5.5% PASS THRU 0952572 DUE 09/01/37.....	945,850	935,039	917,844
5.5% PASS THRU 0966319 DUE 12/01/37.....	159,529	157,706	157,429
5.5% PASS THRU 0972007 DUE 02/01/38.....	3,006,545	2,971,879	2,954,165
5.5% REMIC CMO 2005-4 PA DUE 09/25/24.....	1,553,609	1,564,986	1,548,390
5.653% PASS THRU 0399907 DUE 08/01/27.....	117,866	119,355	120,849
5.774% PASS THRU 0422883 DUE 12/01/26.....	78,528	79,226	80,123
6% PASS THRU 0256060 DUE 01/01/36.....	423,806	428,985	424,203
6% PASS THRU 0426612 DUE 10/01/28.....	413,932	421,836	375,514
6% PASS THRU 0443239 DUE 10/01/28.....	177,164	180,547	159,890
6% PASS THRU 0529320 DUE 07/01/29.....	919,107	936,945	829,495
6% PASS THRU 0555198 DUE 01/01/23.....	151,076	154,612	157,154
6% PASS THRU 0882153 DUE 08/01/36.....	290,057	293,284	292,142
6% PASS THRU 0888021 DUE 12/01/36.....	767,481	776,020	768,200
6% PASS THRU 0889579 DUE 05/01/38.....	5,060,715	5,115,155	5,171,418
6% PASS THRU 0895164 DUE 10/01/36.....	220,615	223,069	221,718
6% PASS THRU 0917276 DUE 04/01/37.....	263,630	266,466	265,524
6% PASS THRU 0917599 DUE 04/01/37.....	269,922	272,825	270,175
6% PASS THRU 0918226 DUE 05/01/37.....	86,585	87,517	86,667
6% PASS THRU 0918716 DUE 06/01/37.....	121,860	123,171	121,974
6% PASS THRU 0920566 DUE 02/01/37.....	872,319	881,702	873,136
6% PASS THRU 0945877 DUE 08/01/37.....	181,098	183,046	182,399
6% PASS THRU 0947713 DUE 10/01/37.....	922,112	932,031	922,976
6% PASS THRU 0952662 DUE 07/01/37.....	40,359	40,808	40,397
6% PASS THRU 0956530 DUE 10/01/37.....	559,529	565,548	560,054
6% REMIC CMO 03-34 A1 DUE 04/25/43.....	67,229	68,583	68,269
6% REMIC CMO 04-T3 1A1 DUE 02/25/44.....	100,446	102,124	102,047
6% REMIC CMO 04-W12-1A1 DUE 07/25/44.....	498,955	507,147	507,024
6.4% REMIC CMO 93-G40 H DUE 12/25/23.....	2,600,757	2,690,993	2,503,228
6.5% PASS THRU 0254086 DUE 11/01/21.....	660,877	688,007	689,377

**PERMANENT UNIVERSITY FUND**  
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SCHEDULE D  
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SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
6.5% PASS THRU 0323606 DUE 03/01/29.....	570,005	592,172	527,610
6.5% PASS THRU 0323755 DUE 11/01/13.....	616,487	640,592	593,080
6.5% PASS THRU 0801783 DUE 02/01/37.....	19,945	20,536	20,188
6.5% PASS THRU 0885425 DUE 06/01/36.....	22,130	22,790	22,400
6.5% REMIC CMO 03-W1 1A1 DUE 12/25/42.....	311,922	320,961	327,129
6.825% PASS THRU 0381817 DUE 08/01/09.....	2,704,807	2,737,779	2,566,185
7% PASS THRU 0323937 DUE 09/01/14.....	796,660	835,590	844,210
8.375% REMIC CMO 92-G41 MB DUE 08/25/22.....	514,590	555,313	513,998
8.5% REMIC CMO 92-G19 M DUE 04/25/22.....	652,358	706,008	647,853
8.6% REMIC CMO 50-CL G DUE 08/25/19.....	117,219	127,616	115,524
<b>GOVERNMENT NATIONAL MORTGAGE ASSOCIATION</b>			
5.125% PASS THRU 0080119 DUE 10/20/27.....	128,412	129,366	128,893
5.25% PASS THRU 0080364 DUE 01/20/30.....	104,608	104,929	106,663
5.375% PASS THRU 0008351 DUE 01/20/24.....	80,156	80,540	81,484
5.375% PASS THRU 0008865 DUE 05/20/26.....	74,205	74,786	74,391
5.375% PASS THRU 0080180 DUE 03/20/28.....	13,665	13,740	13,881
5.375% PASS THRU 0080393 DUE 04/20/30.....	78,080	78,739	76,335
5.375% PASS THRU 0080397 DUE 04/20/30.....	84,804	85,682	84,900
5.375% PASS THRU 0080407 DUE 05/20/30.....	51,215	51,649	50,064
5.375% PASS THRU 0080409 DUE 05/20/30.....	194,807	196,823	195,080
5.375% PASS THRU 0080418 DUE 06/20/30.....	83,813	84,680	85,725
5.5% PASS THRU 0569547 DUE 01/15/32.....	53,307	53,469	51,849
5.625% PASS THRU 0080095 DUE 07/20/27.....	193,905	195,093	197,208
6.75% REMIC CMO 2001-616 Z DUE 10/16/40.....	12,362,858	12,853,619	12,162,859
7% PASS THRU 0001212 DUE 06/20/23.....	59,478	63,326	59,347
8.5% PASS THRU 0002841 DUE 11/20/29.....	33,885	37,074	35,000
8.5% PASS THRU 0002855 DUE 12/20/29.....	57,710	63,142	59,608
8.5% PASS THRU 0002910 DUE 04/20/30.....	26,524	29,016	27,396
8.5% PASS THRU 0002936 DUE 06/20/30.....	53,192	58,180	54,941
8.5% PASS THRU 0002947 DUE 07/20/30.....	35,289	38,599	36,450
8.5% PASS THRU 0002974 DUE 09/20/30.....	25,921	28,351	26,773
8.5% PASS THRU 0003029 DUE 01/20/31.....	47,092	51,433	48,641
8.5% PASS THRU 0003043 DUE 02/20/31.....	26,443	28,880	27,313
8.5% PASS THRU 0508335 DUE 04/15/30.....	19,535	21,445	20,658
8.5% PASS THRU 0511172 DUE 01/15/30.....	17,497	19,208	18,503
8.5% PASS THRU 0521511 DUE 10/15/29.....	11,670	12,815	12,341
8.5% PASS THRU 0526031 DUE 08/15/30.....	14,717	16,156	15,563
8.5% PASS THRU 0526032 DUE 08/15/30.....	5,060	5,554	5,351
8.5% PASS THRU 0780840 DUE 07/20/28.....	64,421	70,564	66,539
10% PASS THRU 0151185 DUE 03/15/16.....	23,658	25,471	23,295
10% PASS THRU 0233778 DUE 02/15/18.....	14,850	16,757	14,772
10.5% PASS THRU 0224630 DUE 10/15/17.....	8,319	9,382	8,007
11% PASS THRU 0035288 DUE 03/15/10.....	2,692	2,866	2,670
11.5% PASS THRU 0131670 DUE 05/15/15.....	8,650	9,896	8,609
12.5% PASS THRU 0043162 DUE 11/15/10.....	2,859	3,085	2,735
12.5% PASS THRU 0044298 DUE 11/15/10.....	3,619	3,813	3,463
13% PASS THRU 0047171 DUE 04/15/11.....	416	461	403
13% PASS THRU 0049550 DUE 07/15/11.....	8,857	9,577	7,983
13.5% PASS THRU 0040310 DUE 05/15/10.....	3,882	4,227	3,867

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SCHEDULE D  
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SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
13.5% PASS THRU 0041007 DUE 07/15/10.....	1,161	1,264	1,159
13.5% PASS THRU 0045053 DUE 05/15/11.....	2,622	2,929	2,406
13.5% PASS THRU 0048879 DUE 05/15/11.....	3,847	4,296	3,520
<b>SMALL BUSINESS ADMINISTRATION</b>			
4.76% PART CERT 2005-201 DUE 09/01/25.....	610,458	576,368	610,458
7.22% PART CERT 2000-20 1 DUE 11/01/20.....	264,591	275,926	277,841
7.64% PART CERT 00-10A DUE 03/01/10.....	35,579	36,606	37,013
<b>SYNTHETIC</b>			
6% CUSTODY RECPT DUE 08/15/11.....	5,170,000	5,551,649	4,995,928
<b>UNITED STATES TREASURY</b>			
0% BILL DUE 09/11/08.....	750,000	747,476	747,476
0% BILL DUE 09/18/08.....	1,800,000	1,798,502	1,798,502
0% BILL DUE 09/25/08.....	10,000,000	9,973,894	9,973,894
0% BILL DUE 11/28/08.....	750,000	746,876	746,876
0.625% INFLATION INDEX NOTE DUE 04/15/13.....	34,259,797	33,381,891	33,343,909
0.875% INFLATION INDEX NOTE DUE 04/15/10.....	14,829,097	14,859,215	15,065,167
1.375% INFLATION INDEX NOTE DUE 07/15/18.....	18,654,816	18,182,625	18,082,567
1.625% INFLATION INDEX BOND DUE 01/15/15.....	9,321,237	9,458,147	9,427,761
1.625% INFLATION INDEX NOTE DUE 01/15/18.....	10,681,606	10,660,745	10,830,356
1.75% INFLATION INDEX NOTE DUE 01/15/28.....	21,973,926	20,590,250	20,763,466
1.875% INFLATION INDEX NOTE DUE 07/15/13.....	8,441,442	8,721,065	8,697,974
1.875% INFLATION INDEX NOTE DUE 07/15/15.....	2,474,516	2,545,272	2,528,196
2% INFLATION INDEX BOND DUE 01/15/26.....	12,492,352	12,230,787	12,077,874
2% INFLATION INDEX NOTE DUE 01/15/14.....	105,381	109,317	108,842
2% INFLATION INDEX NOTE DUE 04/15/12.....	3,572,811	3,690,042	3,676,416
2% INFLATION INDEX NOTE DUE 07/15/14.....	2,794,917	2,904,749	2,819,178
2.375% INFLATION INDEX BOND DUE 01/15/25.....	4,671,880	4,831,383	4,754,021
2.375% INFLATION INDEX NOTE DUE 01/15/27.....	7,967,122	8,243,485	8,175,627
2.375% INFLATION INDEX NOTE DUE 04/15/11.....	12,950,145	13,417,568	13,396,380
2.5% INFLATION INDEX NOTE DUE 07/15/16.....	2,284,905	2,446,276	2,439,582
2.625% INFLATION INDEX NOTE DUE 07/15/17.....	5,523,700	5,995,805	5,887,829
3% INFLATION INDEX NOTE DUE 07/15/12.....	6,763,161	7,263,527	7,234,390
3.125% NOTE DUE 08/31/13.....	13,230,000	13,246,538	13,240,079
3.375% INFLATION INDEX NOTE DUE 01/15/12.....	883,411	953,117	949,114
3.375% NOTE DUE 11/30/12.....	260,000	264,550	259,411
3.5% INFLATION INDEX NOTE DUE 01/15/11.....	402,671	428,530	426,314
3.625% INFLATION INDEX BOND DUE 04/15/28.....	15,032,433	18,523,956	18,443,315
3.875% INFLATION INDEX BOND DUE 04/15/29.....	5,237,517	6,716,707	6,775,959
3.875% INFLATION INDEX NOTE DUE 01/15/09.....	274,620	276,830	275,278
3.875% NOTE DUE 05/15/10.....	14,175,000	14,578,109	14,224,557
4% NOTE DUE 08/15/18.....	16,615,000	16,868,113	16,499,662
4.125% NOTE DUE 05/15/15.....	1,800,000	1,892,531	1,797,008
4.375% BOND DUE 02/15/38.....	250,000	249,883	234,180
6.5% BOND DUE 11/15/26.....	1,369,000	1,720,448	1,738,202
<b>TOTAL U. S. GOVERNMENT OBLIGATIONS</b>		<b>576,075,012</b>	<b>570,422,091</b>
<b>FOREIGN GOVERNMENT AND PROVINCIAL OBLIGATIONS</b>			
<b>AUSTRIA REPUBLIC</b>			
5% BONDS DUE 07/15/12.....	800,000	1,210,166	888,183



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SCHEDULE D  
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SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
<b>BANQUE CENTRALE DE TUNISIE</b>			
7.375% BONDS DUE 04/25/12.....	500,000	530,000	484,375
7.375% BONDS DUE 04/25/12.....	100,000	106,622	115,250
<b>BRAZIL(FEDERATIVE REPUBLIC)</b>			
6.46012% BONDS DUE 01/05/16.....	11,220,000	7,248,240	7,199,500
<b>CANADA GOVERNMENT</b>			
6% DUE 06/01/11.....	4,680,000	4,778,338	5,166,372
<b>CANADA HOUSING TRUST</b>			
3.95% DUE 06/15/13.....	7,800,000	7,479,198	7,455,794
<b>DUTCH GOVERNMENT</b>			
3.75% BONDS DUE 07/15/14.....	600,000	863,121	787,372
4% BOND DUE 01/15/37.....	600,000	794,529	810,263
<b>FRANCE GOVERNMENT</b>			
2.5% BONDS DUE 07/25/13.....	1,944	2,918	2,975
4% BONDS DUE 10/25/38.....	100,000	131,339	136,617
4% BONDS DUE 04/25/55.....	100,000	129,175	133,947
4% BONDS DUE 10/25/14.....	1,600,000	2,326,626	2,444,151
4.75% BONDS DUE 04/25/35.....	1,000,000	1,486,089	1,525,425
<b>GERMANY FEDERAL REPUBLIC</b>			
3.5% BONDS DUE 01/04/16.....	400,000	565,150	575,397
4% BONDS DUE 01/04/37.....	2,600,000	3,484,760	3,484,505
4.25% BONDS DUE 07/04/39.....	1,500,000	2,098,486	2,095,233
4.75% BONDS DUE 07/04/34.....	700,000	1,051,715	1,053,739
5.5% BONDS DUE 01/04/31.....	200,000	328,591	330,386
5.625% BONDS DUE 01/04/28.....	12,050,000	19,960,495	20,118,057
6.25% BONDS DUE 01/04/24.....	200,000	349,642	352,978
6.25% BONDS DUE 01/04/30.....	3,600,000	6,428,862	6,480,962
6.5% BONDS DUE 07/04/27.....	3,260,000	5,927,618	5,965,105
<b>INDONESIA (REPUBLIC OF)</b>			
9.5% DUE 07/15/23.....	8,614,000,000	756,273	854,292
10% DUE 09/15/24.....	34,560,000,000	3,138,527	3,739,660
<b>ITALY (REPUBLIC OF)</b>			
2.35% DUE 09/15/19.....	772	1,117	1,136
<b>JAPAN (GOVERNMENT OF)</b>			
1.1% DUE 09/20/12.....	620,000,000	5,753,132	5,735,032
1.1% DUE 12/10/16.....	203,200,000	1,852,720	1,890,560
1.2% DUE 12/10/17.....	1,078,020,000	9,837,324	10,011,254
1.4% DUE 06/10/18.....	1,882,320,000	17,379,265	17,321,094
1.5% DUE 12/20/17.....	1,260,000,000	11,746,416	11,508,562
2.3% DUE 06/20/35.....	40,000,000	368,085	369,004
2.5% DUE 06/20/36.....	750,000,000	7,177,955	7,190,057
2.5% DUE 09/20/36.....	30,000,000	286,933	282,201
2.5% DUE 09/20/37.....	100,000,000	955,531	959,835
<b>JAPAN FINANCIAL CORP</b>			
1.55% NOTES DUE 02/21/12.....	140,000,000	1,315,181	1,212,112
<b>KOREA DEV BANK</b>			
5.3% DUE 01/17/13.....	100,000	99,524	102,440
<b>MALAYSIA BONDS</b>			
3.756% DUE 04/28/11.....	37,195,000	10,927,315	11,811,310

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SCHEDULE D  
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SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
<b>NEW SOUTH WALES TREASURY CORP</b>			
5.5% DUE 03/01/17.....	11,520,000	9,327,846	9,822,885
<b>NEW ZEALAND GOVERNMENT</b>			
6% DUE 04/15/15.....	9,030,000	6,344,747	7,052,948
<b>ONTARIO (PROVINCE OF) CANADA</b>			
4.95% DUE 11/28/16.....	850,000	875,191	827,960
<b>QUEENSLAND TREASURY CORP</b>			
6% DUE 10/14/15.....	4,195,000	3,538,207	3,720,259
<b>REPUBLIC OF ITALY</b>			
4.5% BONDS DUE 05/01/09.....	4,800,000	7,068,708	7,385,334
5.5% BONDS DUE 11/01/10.....	5,910,000	8,895,030	9,297,620
<b>REPUBLIC OF POLAND</b>			
5.25% BONDS DUE 10/25/17.....	20,820,000	8,689,375	8,549,764
6% BONDS DUE 05/24/09.....	9,300,000	4,088,951	3,172,034
<b>SINGAPORE (GOVT OF)</b>			
2.625% DUE 04/01/10.....	4,825,000	3,481,642	3,586,083
<b>SOUTH AFRICA (REPUBLIC OF)</b>			
7.375% NOTES DUE 04/25/12.....	1,010,000	1,071,863	1,089,039
13% DUE 08/31/10.....	51,360,000	7,068,136	7,025,332
<b>SWEDEN (KINGDOM OF)</b>			
4% DUE 12/01/09.....	27,185,000	4,207,054	4,431,482
<b>UNITED KINGDOM (GOVT OF)</b>			
4% DUE 09/07/16.....	2,540,000	4,494,311	4,886,503
4.25% DUE 06/07/32.....	2,400,000	4,173,489	4,444,037
4.5% DUE 12/07/42.....	2,400,000	4,463,716	4,686,169
4.75% DUE 09/07/15.....	3,100,000	5,751,498	6,286,478
4.75% DUE 12/07/38.....	100,000	193,248	205,652
<b>UNITED MEXICAN STATES</b>			
7.5% DUE 06/03/27.....	46,100,000	4,045,886	4,006,628
7.75% NOTES DUE 12/14/17.....	46,000,000	4,264,573	4,300,554
<b>TOTAL FOREIGN GOVERNMENT AND PROVINCIAL OBLIGATIONS</b>		<b>230,920,449</b>	<b>235,371,896</b>
<b>CORPORATE OBLIGATIONS</b>			
<b>ABBOTT LABS</b>			
6.15% DUE 11/30/37.....	485,000	490,890	506,903
<b>ACE INA HOLDING INC</b>			
5.8% DUE 03/15/18.....	4,200,000	4,009,874	4,213,442
<b>ALCAN INC</b>			
6.45% DUE 03/15/11.....	300,000	310,997	312,510
<b>ALLIED WASTE NORTH AMERICA INC</b>			
6.5% DUE 11/15/10.....	195,000	195,975	190,613
<b>ALLSTATE LIFE GLOBAL FUNDING</b>			
3.46125% DUE 05/21/10.....	4,000,000	3,976,832	4,000,000
5.375% DUE 04/30/13.....	700,000	699,136	699,300
<b>ALTERNATIVE LOAN</b>			
5.75% DUE 08/25/37.....	829,241	700,287	697,599
6% DUE 04/25/37.....	263,885	163,021	176,803
6% DUE 08/25/37.....	854,793	589,540	636,821
6.25% DUE 08/25/37.....	86,897	54,289	63,435

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SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
6.5% DUE 09/25/37.....	1,968,084	1,335,223	1,505,584
AMERICAN EXPRESS BANK FSB			
3.48875% DUE 04/26/10.....	1,400,000	1,378,061	1,332,506
3.83875% DUE 05/29/12.....	200,000	187,480	187,288
5.5% DUE 04/16/13.....	1,900,000	1,799,450	1,895,573
AMERICAN EXPRESS CO			
6.15% DUE 08/28/17.....	200,000	185,529	199,484
7% DUE 03/19/18.....	280,000	274,978	278,928
AMERICAN EXPRESS CREDIT CORP			
3.86% DUE 05/27/10.....	800,000	781,871	800,000
5.875% DUE 05/02/13.....	500,000	479,621	498,285
AMERICAN HOME MORTGAGE			
4.29% DUE 10/25/34.....	382,756	327,861	380,365
AMERICAN HONDA FINANCE CORP			
3.95375% DUE 06/20/11.....	1,600,000	1,597,864	1,600,000
4.625% DUE 04/02/13.....	860,000	836,068	859,467
AMERICAN INTERNATIONAL GROUP INC			
4.875% DUE 03/15/67.....	400,000	391,707	523,959
5.85% DUE 01/16/18.....	900,000	757,799	895,041
8% DUE 05/22/68.....	2,000,000	2,406,251	3,081,632
8.175% DUE 05/15/58.....	1,800,000	1,390,288	1,802,220
AMERICAN WATER CAPITAL CORP			
6.593% DUE 10/15/37.....	1,665,000	1,534,800	1,617,464
AMGEN INC			
2.72563% DUE 11/28/08.....	350,000	349,417	350,000
ANADARKO PETROLEUM CORP			
3.21875% DUE 09/15/09.....	600,000	594,975	600,000
ANHEUSER BUSCH COMPANIES INC			
5.05% DUE 10/15/16.....	800,000	722,530	819,812
ANZ NATURAL INTERNATIONAL LTD			
6.2% DUE 07/19/13.....	1,400,000	1,404,421	1,398,820
APACHE CORP			
5.625% DUE 01/15/17.....	750,000	759,169	749,280
ARCHER-DANIELS-MIDLAND CO			
6.45% DUE 01/15/38.....	390,000	377,508	388,261
7.125% DUE 03/01/13.....	860,000	944,656	943,308
ASTRAZENECA PLC			
6.45% DUE 09/15/37.....	2,025,000	2,076,686	2,196,416
AT & T INC			
2.89438% DUE 02/05/10.....	1,500,000	1,495,388	1,500,000
6.3% DUE 01/15/38.....	1,500,000	1,414,446	1,465,695
ATCHISON TOPEKA & SANTA FE RAILROAD			
7.57% EQUIP TRUST DUE 02/15/09.....	1,336,000	1,359,510	1,299,353
ATLANTIC & WESTERN			
8.79125% DUE 01/09/09.....	300,000	298,770	300,000
AUTOROUTES DU SUD DE LA FRANCE			
5.625% DUE 07/04/22.....	200,000	273,721	267,550
AVENT INC			
6.625% DUE 09/15/16.....	500,000	494,334	504,700

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SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
<b>BA CREDIT CARD TRUST</b>			
3.6875% DUE 12/16/13.....	1,200,000	1,196,898	1,200,000
<b>BAE SYSTEM HOLDINGS INC</b>			
4.75% NOTES DUE 08/15/10.....	1,002,000	1,019,487	999,114
<b>BANC OF AMERICA COMMERCIAL MORTGAGE</b>			
4.877% DUE 11/10/42.....	937,831	933,975	942,547
5% DUE 05/25/34.....	946,278	907,156	938,590
5.7451% DUE 07/10/17.....	430,000	392,093	432,344
<b>BANCO SABADELL SA</b>			
5% DUE 05/09/10.....	800,000	1,170,627	1,231,963
<b>BANK IRELAND GOVERNOR &amp; CO</b>			
2.92625% DUE 12/18/09.....	700,000	693,835	700,000
3.0725% DUE 12/19/08.....	700,000	699,811	700,000
<b>BANK OF AMERICA CORP</b>			
4.75% DUE 05/23/17.....	1,900,000	2,540,933	2,690,100
5.65% DUE 05/01/18.....	1,000,000	922,511	914,710
8.125% DUE 12/29/49.....	1,900,000	1,715,282	1,900,000
<b>BANK OF AMERICA N A</b>			
3.40375% DUE 05/12/10.....	600,000	596,552	600,000
<b>BANK OF NEW YORK MELLON</b>			
4.95% DUE 11/01/12.....	1,300,000	1,298,357	1,289,743
<b>BANK OF SCOTLAND</b>			
0% DUE 10/06/08.....	1,400,000	1,390,378	1,390,378
<b>BANK OF TOKYO-MITSUBISI UFJ</b>			
3.5% DUE 12/16/15.....	200,000	272,896	235,243
<b>BANKINTER SA</b>			
5% DUE 05/14/10.....	600,000	877,784	932,822
<b>BANQUE CENTRALE DE TUNISIE</b>			
7.5% DUE 08/06/09.....	300,000	447,275	288,797
<b>BARCLAYS BANK PLC</b>			
6.05% DUE 12/04/17.....	3,100,000	2,926,961	3,079,137
8.25% DUE 12/15/49.....	400,000	736,788	782,043
<b>BAXTER INTERNATIONAL INC</b>			
5.9% DUE 09/01/16.....	480,000	496,668	494,602
<b>BEAR STEARNS</b>			
3.86688% DUE 10/25/32.....	20,742	18,103	20,742
4.125% DUE 03/25/35.....	1,331,033	1,236,000	1,300,409
4.125% DUE 03/25/35.....	587,239	561,759	574,530
4.35% DUE 08/25/35.....	96,192	90,718	94,941
4.55% DUE 08/25/35.....	164,511	156,382	160,617
4.63895% DUE 01/26/36.....	425,775	349,502	423,512
4.75% DUE 02/13/46.....	1,050,000	976,366	1,050,164
4.77227% DUE 11/25/34.....	43,759	40,552	42,870
5.471% DUE 01/12/45.....	1,515,000	1,355,317	1,485,515
5.613% DUE 06/11/50.....	860,000	823,214	864,722
5.7% DUE 06/11/50.....	800,000	720,788	804,384
5.89114% DUE 02/25/36.....	865,385	621,746	867,819
6.95% DUE 08/10/12.....	1,700,000	1,765,757	1,695,971

**PERMANENT UNIVERSITY FUND**  
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SCHEDULE D  
(CONTINUED)

SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
<b>BEAR STEARNS COMMERCIAL MORTGAGE</b>			
4.74% DUE 03/13/40.....	2,580,000	2,486,813	2,530,953
5.63047% DUE 04/12/38.....	860,000	801,545	856,238
5.694% DUE 06/11/50.....	850,000	767,006	854,623
<b>BELLSOUTH CORP</b>			
4.2% DUE 09/15/09.....	300,000	301,917	294,246
5.2% DUE 12/15/16.....	800,000	778,234	799,024
<b>BERKSHIRE HATHAWAY FINANCE</b>			
5.4% DUE 05/15/18.....	910,000	905,765	908,671
<b>BIOGEN IDEC INC</b>			
6.875% DUE 03/01/18.....	1,160,000	1,185,506	1,185,021
<b>BNP PARIBAS</b>			
4.75% DUE 05/28/13.....	800,000	1,166,646	1,257,881
<b>BRISTOL MYERS SQUIBB CO</b>			
6.125% DUE 05/01/38.....	1,100,000	1,075,630	1,099,276
<b>BRITISH SKY BROADCASTING</b>			
6.1% DUE 02/15/18.....	2,600,000	2,515,937	2,597,114
<b>BURLINGTON NORTHERN SANTA FE CORP</b>			
6.462% DUE 01/15/21.....	622,592	668,502	622,592
8.125% DUE 04/15/20.....	525,000	606,318	604,338
<b>BW GROUP LTD</b>			
6.625% DUE 06/28/17.....	300,000	311,842	298,380
<b>C10 CAPITAL SPV LTD</b>			
6.722% DUE 12/31/49.....	100,000	93,071	100,000
<b>CADBURY SCHWEPPE US FINANCE</b>			
5.125% DUE 10/01/13.....	1,000,000	960,816	992,840
<b>CAIXA ESTALVIS CATALUNYA</b>			
5% DUE 05/19/10.....	1,300,000	1,895,609	2,002,199
<b>CANADIAN NATL RY CO</b>			
5.85% DUE 11/15/17.....	215,000	220,448	214,318
<b>CAPITAL AUTO</b>			
3.4075% DUE 03/15/11.....	800,000	799,875	800,000
<b>CARGILL INC</b>			
5.2% DUE 01/22/13.....	860,000	857,620	859,286
<b>CARS ALLIANCE FUNDING PLC</b>			
5.079% DUE 10/08/23.....	700,000	996,620	1,008,659
<b>CATERPILLAR FINANCIAL SERVICES CORP</b>			
3.55938% DUE 06/24/11.....	3,400,000	3,391,840	3,400,000
<b>CBA (DELAWARE)</b>			
0% DUE 10/07/08.....	4,400,000	4,369,303	4,369,303
<b>CD 2007-CD5 MORTGAGE TRUST</b>			
5.655% DUE 11/15/44.....	860,000	828,243	864,273
<b>CHASE ISSUANCE TRUST</b>			
2.7375% DUE 09/15/11.....	1,600,000	1,586,645	1,591,438
<b>CIT GROUP INC</b>			
2.92688% DUE 08/17/09.....	1,200,000	1,106,021	1,200,000
3.08125% DUE 11/03/10.....	1,970,000	1,609,975	1,757,663
<b>CITIGROUP CAPITAL</b>			
6.829% DUE 06/28/67.....	600,000	901,816	1,197,420

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SCHEDULE D  
(CONTINUED)

SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
8.3% DUE 12/21/57.....	1,100,000	992,944	1,097,349
CITIGROUP COMMERCIAL MORTGAGE			
5.88855% DUE 12/10/49.....	400,000	362,428	392,109
CITIGROUP FINANCE CANADA INC			
5.5% DUE 05/21/13.....	200,000	182,684	199,276
CITIGROUP FUNDING INC			
2.46063% DUE 04/23/09.....	700,000	691,760	700,000
3.85188% DUE 05/07/10.....	4,500,000	4,460,791	4,500,000
CITIGROUP INC			
2.83063% DUE 12/28/09.....	700,000	685,180	700,000
2.83625% DUE 01/30/09.....	200,000	198,779	200,000
5.5% DUE 04/11/13.....	1,600,000	1,543,005	1,593,776
6% DUE 08/15/17.....	700,000	649,059	697,508
6.125% DUE 05/15/18.....	2,000,000	1,869,904	1,992,900
6.5% DUE 08/19/13.....	2,700,000	2,702,946	2,698,407
CITIGROUP MORTGAGE			
4.2475% DUE 08/25/35.....	501,376	474,368	482,575
4.7475% DUE 08/25/35.....	470,656	448,392	462,696
4.9% DUE 12/25/35.....	540,844	514,913	537,887
CITIGROUP/DEUTSCHE BANK COMMERCIAL MORTGAGE			
5.302% DUE 01/15/46.....	796,379	791,854	798,361
CITIMORTGAGE ALTERNATIVE LOAN TRUST			
5.75% DUE 04/25/37.....	1,049,805	751,775	871,339
CLOROX CO			
5% DUE 01/15/15.....	765,000	730,293	741,362
CM - CIC			
5.25% DUE 06/09/10.....	700,000	1,031,235	1,087,199
COMCAST CORP			
5.875% DUE 02/15/18.....	600,000	577,734	599,136
6.95% DUE 08/15/37.....	1,955,000	1,907,826	1,987,903
COMM 07 C9 MORTGAGE			
6.0102% DUE 12/10/49.....	700,000	641,659	690,730
COMMERCIAL MORTGAGE			
5.381% DUE 07/10/12.....	1,575,000	1,517,374	1,553,159
CONOCOPHILLIPS			
5.2% DUE 05/15/18.....	400,000	396,662	399,964
CONSOLIDATED EDISON OF NEW YORK			
5.85% DUE 04/01/18.....	900,000	908,884	899,604
COSTCO WHOLESALE CORP			
5.5% DUE 03/15/17.....	500,000	509,875	499,205
COUNTRYWIDE HOME LOANS			
5.75% DUE 07/25/37.....	1,375,000	1,081,030	1,237,500
COVIDIEN INTERNATIONAL FINANCE			
6% DUE 10/15/17.....	700,000	709,552	717,227
6.55% DUE 10/15/37.....	645,000	656,099	674,573
CREDIT AGRICOLE SA LONDON			
2.69563% DUE 05/28/10.....	1,500,000	1,488,654	1,500,000
CREDIT SUISSE			
5% DUE 05/15/13.....	4,700,000	4,577,918	4,689,613

**PERMANENT UNIVERSITY FUND**  
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SCHEDULE D  
(CONTINUED)

SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
5.268% DUE 02/15/40.....	1,340,000	1,290,486	1,279,281
5.311% DUE 12/15/39.....	1,300,000	1,176,222	1,298,020
6% DUE 07/25/37.....	1,574,303	1,353,410	1,460,166
6.38% DUE 12/18/35.....	819,612	833,364	844,040
6.5% DUE 01/15/12.....	800,000	830,990	877,680
CSSE NAT CSSE EPARG PREV			
6.117% DUE 10/29/49.....	600,000	698,306	849,360
CVS CORP			
5.75% DUE 08/15/11.....	300,000	308,162	304,047
CWALT INC			
4.57738% DUE 11/25/35.....	85,314	57,187	55,881
5.11738% DUE 11/25/35.....	85,314	58,119	55,881
5.5% DUE 10/25/35.....	1,695,796	1,100,582	1,373,595
CWMBS INC			
2.79188% DUE 03/25/35.....	120,379	73,033	120,379
2.79188% DUE 03/25/35.....	899,946	495,719	901,633
3.235% DUE 06/25/35.....	104,946	87,172	104,946
3.53688% DUE 02/25/35.....	294,200	205,907	294,200
4.82221% DUE 04/20/35.....	74,076	67,897	72,687
DAYTON HUDSON CORP			
6.65% DEBENTURES DUE 08/01/28.....	525,000	527,308	616,922
DELPHI CORP			
6.5% DUE 04/15/38.....	695,000	662,568	689,114
DELPHINUS			
5.255% DUE 11/28/31.....	1,804,803	2,634,952	2,068,899
DEUTSCHE BANK			
5.56188% DUE 12/29/49.....	3,300,000	3,162,060	3,300,178
5.65% DUE 08/28/36.....	1,373,395	1,234,972	1,249,790
5.65% DUE 09/28/36.....	1,405,471	1,264,222	1,278,978
6% DUE 09/01/17.....	600,000	604,118	596,970
DEUTSCHE TELEKOM INTERNATIONAL FINANCE BV			
8.75% DUE 06/15/30.....	200,000	220,434	240,528
DEXIA MUNICIPAL AGENCY			
4% BONDS DUE 01/26/11.....	1,300,000	1,879,092	1,663,535
DIAGEO CAP PLC			
5.2% DUE 01/30/13.....	1,515,000	1,532,677	1,514,555
DNB NOR BOLIGKREDITT			
4.5% DUE 05/16/11.....	800,000	1,166,081	1,230,313
DU PONT (E I) DE NEMOURS & CO			
5.25% DUE 12/15/16.....	300,000	293,868	295,704
6% DUE 07/15/18.....	775,000	789,986	774,675
DUTCH MBS VI BV MTG BKD			
5.208% DUE 11/02/35.....	88,814	130,413	100,431
DUTCH MORTGAGE PORTFOLIO LOANS			
5.213% DUE 11/20/35.....	637,386	916,977	743,500
E.ON INTERNATIONAL FINANCE B V			
6.65% DUE 04/30/38.....	1,215,000	1,232,586	1,209,800
EDISON MISSION ENERGY FUNDING			
7.33% DUE 09/15/08.....	39,910	39,810	40,060

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SCHEDULE D  
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SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
EMC MORTGAGE LOAN TRUST			
2.84188% DUE 05/25/40.....	57,377	52,672	57,377
ENERGY ARK INC			
4.5% DUE 06/01/10.....	640,000	640,134	629,926
ENTERPRISE PRODUCTS OPERATION LP			
4.625% DUE 10/15/09.....	1,200,000	1,192,704	1,196,628
4.95% DUE 06/01/10.....	300,000	299,625	294,660
EXELON GENERATION CO LLC			
6.2% DUE 10/01/17.....	425,000	417,360	423,963
EXPORT- IMPORT BANK KOREA			
5.75% DUE 05/22/13.....	500,000	713,636	770,246
FEDERATED DEPT STORES INC			
6.3% DUE 04/01/09.....	300,000	299,229	305,364
FIFTH THIRD BANCORP			
8.25% DUE 03/01/38.....	1,590,000	1,196,472	1,602,736
FIRST REPUBLIC MORTGAGE LOAN			
2.81688% DUE 11/15/31.....	435,696	403,570	435,696
FLEET FINANCIAL GROUP INC			
6.875% DUE 01/15/28.....	325,000	308,662	390,208
FLORIDA POWER & LIGHT CO			
4.85% DUE 02/01/13.....	525,000	534,311	538,619
FLORIDA POWER CORP			
5.8% DUE 09/15/17.....	850,000	876,234	847,714
FORD CREDIT AUTO OWNER			
2.7762% DUE 06/15/09.....	1,121,029	1,121,073	1,121,029
3.3875% DUE 01/15/11.....	3,100,000	3,092,465	3,100,000
3.9075% DUE 06/15/12.....	1,300,000	1,290,506	1,300,000
FORD MOTOR CREDIT CO			
7.875% DUE 06/15/10.....	375,000	323,261	361,406
FORD MOTOR TERM LOAN			
0% DUE 11/29/13.....	1,885,215	1,466,490	1,531,737
FREEMONT HOME LOAN			
3.31688% DUE 02/25/36.....	1,395,510	1,330,943	1,395,946
GAZ CAPITAL SA			
7.343% DUE 04/11/13.....	100,000	99,875	100,000
7.51% DUE 07/31/13.....	1,000,000	1,015,076	1,000,000
8.146% DUE 04/11/18.....	100,000	98,750	100,000
GAZSTREAM SA			
5.625% DUE 07/22/13.....	1,264,339	1,246,688	1,251,695
GENERAL ELECTRIC CAPITAL CORP			
2.82625% MTN DUE 12/12/08.....	200,000	199,966	200,000
2.87438% DUE 08/15/11.....	700,000	686,717	700,000
3.5575% DUE 05/22/13.....	1,700,000	1,692,680	1,697,647
5.875% DUE 01/14/38.....	4,800,000	4,335,172	4,681,780
6.375% DUE 11/15/67.....	800,000	732,707	800,000
6.5% DUE 09/15/67.....	600,000	1,010,213	1,199,942
GENERAL MILLS INC			
5.25% DUE 08/15/13.....	400,000	402,569	399,136
6% DUE 02/15/12.....	300,000	310,126	308,196



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SCHEDULE D  
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SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
<b>GENERAL MOTORS ACCEPTANCE CORP</b>			
6.75% DUE 12/01/14.....	1,495,000	811,734	1,177,670
<b>GLAXOSMITHKLINE CAPITAL INC</b>			
3.42875% DUE 05/13/10.....	800,000	802,416	800,000
4.85% DUE 05/15/13.....	1,400,000	1,410,422	1,397,046
6.375% DUE 05/15/38.....	1,245,000	1,245,671	1,241,190
<b>GLITNIR BANKI</b>			
3.04625% DUE 04/20/10.....	900,000	768,614	900,000
<b>GLOBALDRIVE AUTO</b>			
4.873% DUE 06/20/15.....	400,000	535,647	557,006
<b>GMAC MORTGAGE CORP LOAN TRUST</b>			
5.5% DUE 09/25/34.....	580,677	570,651	583,036
<b>GOLDMAN SACHS GROUP</b>			
5.95% DUE 01/18/18.....	1,000,000	946,005	998,580
6.15% DUE 04/01/18.....	2,000,000	1,913,134	1,957,444
6.25% DUE 09/01/17.....	2,400,000	2,323,097	2,395,752
6.75% DUE 10/01/37.....	1,280,000	1,126,212	1,190,741
<b>GOLDMAN SACHS SECURITIES</b>			
2.552% DUE 03/06/20.....	476,049	439,386	476,049
4.51333% DUE 06/01/34.....	330,598	296,291	324,502
4.5393% DUE 09/25/35.....	337,819	306,485	335,813
5.69% DUE 08/10/45.....	805,737	785,276	774,515
<b>GS MORTGAGE SECURITIES CORP</b>			
5.94323% DUE 08/27/37.....	3,768,848	3,175,091	3,222,275
<b>HARBORVIEW MORTGAGE</b>			
2.70563% DUE 03/19/36.....	937,231	583,963	939,281
<b>HASBRO INC</b>			
6.3% DUE 09/15/17.....	1,000,000	995,897	976,070
<b>HEALTH CARE PROPERTY INVESTMENTS INC</b>			
5.95% DUE 09/15/11.....	600,000	574,891	603,774
<b>HERMES</b>			
5.227% DUE 04/18/12.....	216,225	317,386	276,078
<b>HERSHEY CO</b>			
5.45% DUE 09/01/16.....	845,000	841,753	842,994
<b>HONEYWELL INTERNATIONAL INC</b>			
5.7% DUE 03/15/37.....	519,000	483,156	501,992
<b>IBM CORP</b>			
5.7% DUE 09/14/17.....	1,200,000	1,223,716	1,195,848
<b>ICICI BANK LIMITED</b>			
3.32813% DUE 01/12/10.....	700,000	679,770	700,000
<b>INDIANAPOLIS LIFE INSURANCE CO</b>			
8.66% SURPLUS NOTES DUE 04/01/11.....	1,747,000	1,924,314	1,747,000
<b>INDYMAC MBS</b>			
5.75% DUE 02/25/36.....	222,088	174,466	184,888
<b>INGERSOLL-RAND GLOBAL HOLDING CO</b>			
6.875% DUE 08/15/18.....	730,000	733,349	728,956
<b>INTERNATIONAL BANK FOR REC &amp; DEV</b>			
11.5% DUE 03/06/09.....	265,600,000	3,194,160	4,023,878

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SCHEDULE D  
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SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
INTESA FUNDING LLC			
0% DUE 09/26/08.....	4,400,000	4,373,369	4,373,369
INTUIT			
5.75% DUE 03/15/17.....	1,000,000	948,317	962,260
ITC PROPERTIES GROUP LTD			
1% DUE 06/14/11.....	6,240,000	802,090	803,774
J P MORGAN ALTER			
6% DUE 12/25/36.....	1,788,995	1,466,976	1,475,882
J P MORGAN CHASE			
5.79% DUE 02/15/51.....	860,000	785,809	864,256
5.819% DUE 02/12/51.....	850,000	799,000	854,248
6% DUE 10/01/17.....	3,000,000	2,903,988	2,996,610
JAPAN FINANCIAL CORP			
5.875% DUE 03/14/11.....	1,700,000	1,802,257	1,661,852
JLOC 36 LLC			
1.15375% DUE 02/16/16.....	73,200,000	666,405	616,551
JLOC 37 LLC			
1.14188% DUE 01/15/15.....	75,590,876	689,913	614,735
JOHNSON & JOHNSON			
5.85% DUE 07/15/38.....	800,000	820,492	799,616
JOY GLOBAL INC			
6% DUE 11/15/16.....	1,800,000	1,775,804	1,834,344
JP MORGAN CHASE & CO			
4.375% DUE 11/30/21.....	400,000	486,961	525,558
4.914% DUE 07/12/37.....	2,602,050	2,591,736	2,567,491
5.279% DUE 12/12/43.....	985,886	971,420	956,848
5.375% DUE 10/01/12.....	1,300,000	1,289,835	1,312,636
5.429% DUE 12/12/43.....	400,000	364,944	382,063
KELLOGG CO			
7.45% BONDS DUE 04/01/31.....	616,000	703,117	786,204
KIMBERLY CLARK CORP			
6.125% DUE 08/01/17.....	820,000	855,078	817,515
KOREA DEV BANK			
5.3% DUE 01/17/13.....	200,000	197,704	203,583
KRAFT FOODS INC			
6.125% DUE 02/01/18.....	860,000	844,603	855,829
7% DUE 08/11/37.....	1,705,000	1,696,506	1,736,594
KROGER CO			
6.4% DUE 08/15/17.....	690,000	705,034	699,708
LANDESBANKI IS HF			
6.1% DUE 08/25/11.....	300,000	260,720	303,450
LB UBS COMMERCIAL MORTGAGE			
4.739% DUE 07/15/30.....	900,000	829,268	863,051
4.885% DUE 09/15/30.....	3,240,000	3,224,023	3,188,742
5.588% DUE 09/15/45.....	860,000	825,940	864,281
5.933% DUE 07/17/40.....	750,000	720,000	753,723
LEHMAN BROTHERS HOLDINGS			
2.95063% DUE 05/25/10.....	5,200,000	4,750,933	4,940,735
5.625% DUE 01/24/13.....	1,000,000	933,794	995,440

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SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
LEHMAN XS TRUST			
3.28688% DUE 07/25/46.....	44,136	43,205	44,136
LILLY ELI & CO			
5.2% DUE 03/15/17.....	900,000	911,969	899,370
LLOYDS TSB BANK			
4.385% DUE 05/29/49.....	900,000	1,015,234	1,055,960
LOCKHEED MARTIN CORP			
7.2% DUE 05/01/36.....	650,000	722,402	774,157
M & I MARSHALL & ISLEY BANK			
2.94625% DUE 12/04/12.....	1,280,000	1,031,345	1,190,400
MARRIOTT INTERNATIONAL INC			
5.81% DUE 11/10/15.....	1,000,000	895,997	907,680
MARSH & MCLENNAN COS INC			
6.25% DUE 03/15/12.....	300,000	307,624	300,774
MASTER ASSET SECURITIZATION			
5.5% DUE 11/25/17.....	132,764	128,372	132,764
MASTER CREDIT CARD TRUST			
5.297% DUE 08/21/12.....	300,000	287,810	297,309
MASTER RESECURITIZATION			
5.99957% DUE 06/27/36.....	1,461,243	1,293,200	1,358,956
MATTEL INC			
5.625% DUE 03/15/13.....	860,000	852,779	858,237
MCCORMICK & CO INC			
5.2% DUE 12/15/15.....	525,000	529,162	502,052
MELLON RESIDENTIAL			
2.9275% DUE 12/15/30.....	472,266	438,248	474,184
MERNA REINS			
3.45063% DUE 07/07/10.....	600,000	572,340	594,000
MERRILL LYNCH & CO			
2.89438% DUE 08/14/09.....	200,000	192,792	200,000
5.05375% DUE 05/12/10.....	5,100,000	4,985,484	5,075,677
5.45% DUE 02/05/13.....	860,000	802,065	858,882
6.875% DUE 04/25/18.....	1,600,000	1,473,614	1,598,624
MERRILL LYNCH MORTGAGE			
5.601% DUE 08/12/43.....	596,514	594,877	595,396
5.91868% DUE 07/12/40.....	2,970,000	2,882,068	2,918,141
METROPOLITAN LIFE GLOBAL			
3.96125% DUE 06/25/10.....	1,600,000	1,598,582	1,600,000
MIDWEST GENERATION LLC			
8.3% DUE 07/02/09.....	173,538	175,708	179,612
MIZUHO BANK LTD			
1.78125% DUE 12/29/49.....	200,000,000	1,853,481	1,715,488
2.50875% DUE 12/29/49.....	100,000,000	927,026	874,396
MIZUHO FINANCE			
8.375% DUE 12/29/49.....	100,000	99,990	105,555
ML CFC COMMERCIAL MORTGAGE TRUST			
5.549% DUE 06/12/50.....	1,429,923	1,411,507	1,407,504
6.15577% DUE 08/12/49.....	800,000	739,954	833,375

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SCHEDULE D  
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SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
<b>MORGAN STANLEY</b>			
2.49813% DUE 11/21/08.....	1,200,000	1,197,584	1,200,720
3.235% DUE 10/18/16.....	300,000	246,403	300,453
4.39% DUE 09/13/45.....	860,000	824,197	841,221
4.90438% DUE 05/14/10.....	3,300,000	3,262,238	3,300,000
5.331% DUE 03/15/44.....	860,000	773,053	783,541
5.332% DUE 12/15/43.....	540,000	489,078	523,441
5.391% DUE 11/12/49.....	626,357	612,875	606,587
5.569% DUE 12/15/44.....	800,000	711,928	804,376
5.692% DUE 04/15/49.....	430,000	388,839	390,679
5.731% DUE 07/20/44.....	1,200,000	1,121,514	1,113,094
5.809% DUE 12/12/49.....	860,000	781,327	864,717
5.914% DUE 08/12/41.....	1,290,000	1,280,203	1,283,046
5.95% DUE 12/28/17.....	410,000	364,864	408,840
5.98403% DUE 08/12/41.....	900,000	857,304	904,217
6% DUE 04/28/15.....	3,100,000	2,916,106	3,076,852
6.25% DUE 08/28/17.....	100,000	91,019	99,853
6.39% DUE 10/15/35.....	1,075,000	1,094,372	1,086,758
6.4579% DUE 01/11/43.....	860,000	835,267	835,387
6.625% DUE 04/01/18.....	2,200,000	2,044,070	2,264,306
<b>MUFG CAPITAL FINANCE 2</b>			
4.85% DUE 07/29/49.....	2,450,000	2,737,722	2,920,768
<b>NATIONAL AUSTRALIA BANK</b>			
3.99875% DUE 06/29/16.....	800,000	741,280	770,448
5.35% DUE 06/12/13.....	2,700,000	2,648,975	2,699,892
<b>NEW SOUTH WALES TREASURY</b>			
6% DUE 05/01/12.....	4,590,000	3,905,240	4,124,243
<b>NEW YORK LIFE GLOBAL FUNDING</b>			
4.65% DUE 05/09/13.....	300,000	299,952	299,472
<b>NGPL PIPECO LLC</b>			
7.768% DUE 12/15/37.....	800,000	813,845	800,000
<b>NORTHERN NATURAL GAS CO</b>			
5.75% DUE 07/15/18.....	875,000	867,536	874,799
<b>NUCOR CORP</b>			
5% DUE 12/01/12.....	525,000	532,366	527,630
<b>NYKREDIT</b>			
4% DUE 01/01/10.....	61,600,000	12,014,885	12,016,604
<b>OHIO POWER CO</b>			
4.85% DUE 01/15/14.....	400,000	383,308	383,984
<b>ONEOK PARTNERS L P</b>			
6.85% DUE 10/15/37.....	800,000	773,726	797,528
<b>OPTION ONE MORTGAGE ACCEPTANCE CORP</b>			
3.60688% DUE 12/25/31.....	78,236	65,315	78,236
<b>ORACLE CORP</b>			
6.5% DUE 04/15/38.....	1,216,000	1,228,701	1,233,695
<b>PACIFIC CORP</b>			
6.1% DUE 08/01/36.....	435,000	422,050	433,582
<b>PEARSON</b>			
7% DUE 10/27/14.....	780,000	1,438,444	1,529,886

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SCHEDULE D  
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SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
PEPSICO INC			
5.15% DUE 05/15/12.....	900,000	939,002	899,577
PETRO-CANADA			
7% DUE 11/15/28.....	525,000	515,585	547,055
POPULAR			
3.29688% DUE 12/25/36.....	44,930	43,182	43,091
PPG INDUSTRY INC			
6.65% DUE 03/15/18.....	1,000,000	1,020,462	1,052,000
PPL ENERGY SUPPLY LLC			
6.3% DUE 07/15/13.....	375,000	379,305	374,846
PRAXAIR INC			
5.25% DUE 11/15/14.....	825,000	821,565	823,086
PRICOA GLOBAL FUNDING			
3.47313% DUE 06/04/10.....	3,200,000	3,189,187	3,200,000
PRINCIPAL LIFE INCOME FUNDINGS			
5.3% DUE 12/14/12.....	825,000	821,344	824,357
PROCTER & GAMBLE CO			
5.55% DUE 03/05/37.....	220,000	211,783	218,506
PRUDENTIAL FINANCIAL INC			
5.4% DUE 06/13/35.....	1,097,000	861,740	1,074,746
PSEG ENERGY HOLDINGS INC			
8.5% DUE 06/15/11.....	145,000	151,416	153,700
PUBLIC SERVICE COMPANY COLORADO			
5.8% DUE 08/01/18.....	370,000	377,408	369,456
PUMA GLOBAL TRUST			
2.88125% DUE 02/21/38.....	631,250	599,378	602,844
PUMA MASTERFUND			
7.52% DUE 08/22/37.....	701,316	585,186	661,969
QWEST CORP			
8.875% DUE 03/15/12.....	900,000	906,750	894,129
RABOBANK CAPITAL FUNDING			
5.254% DUE 12/29/49.....	2,500,000	2,153,873	2,344,246
RABOBANK NEDERLAND GLOBAL			
2.81063% DUE 01/15/09.....	100,000	99,950	100,000
RADIOSHACK CORP			
7.375% DUE 05/15/11.....	300,000	306,000	308,145
RALI SERVICE			
3.35688% DUE 03/25/27.....	366,562	198,524	209,448
RAS LAFFAN LIQUEFIELD			
5.298% DUE 09/30/20.....	750,000	708,390	750,000
5.838% DUE 09/30/27.....	500,000	420,840	500,000
RASC			
3.25688% DUE 09/25/36.....	8,506	8,492	8,426
RBA CAPITAL TRUST			
4.243% DUE 12/29/49.....	800,000	869,099	937,047
RBSGC			
5.5% DUE 11/25/35.....	1,660,073	1,390,311	1,485,766
REALKREDIT DANMARK			
4% DUE 01/01/10.....	29,400,000	5,740,181	5,738,057

**PERMANENT UNIVERSITY FUND**  
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SCHEDULE D  
(CONTINUED)

SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
5% DUE 10/01/38.....	956,434	176,372	163,756
5% DUE 10/01/38.....	11,956,280	2,199,618	2,060,187
REED ELSEVIER CAPITAL			
6.75% DUE 08/01/11.....	300,000	316,918	314,331
RENAISSANCE HOME EQUITY			
3.70688% DUE 12/25/33.....	81,353	67,043	81,353
RESIDENTIAL ACCREDIT LOANS, INC			
3.38688% DUE 06/25/46.....	301,227	185,179	250,018
RESIDENTIAL ASSET MORTGAGE PRODUCTS			
3.03188% DUE 06/25/32.....	20,226	17,276	20,239
RESIDENTIAL FUNDING MORTGAGE			
4.47% DUE 07/25/18.....	1,365,391	1,291,367	1,322,083
RESIDENTIAL REINS			
9.93188% DUE 06/07/10.....	300,000	302,196	300,000
RESONA BANK			
5.85% DUE 09/29/49.....	1,200,000	965,507	1,188,458
REXAM			
6.75% DUE 06/01/13.....	1,000,000	993,004	995,630
REYNOLDS AMERICAN INC			
6.75% DUE 06/15/17.....	700,000	688,564	699,356
SAFEWAY INC			
6.35% DUE 08/15/17.....	300,000	305,944	299,826
7.5% DUE 09/15/09.....	300,000	308,537	315,819
SANTANDER FINANCE			
0% DUE 10/07/08.....	3,200,000	3,177,836	3,177,836
SANTANDER PERP S A			
6.671% DUE 10/29/49.....	900,000	856,115	900,000
SARA LEE CORP			
6.25% DUE 09/15/11.....	300,000	307,275	308,370
SBC COMMUNICATIONS INC			
4.125% DUE 09/15/09.....	1,400,000	1,407,892	1,399,692
6.45% DUE 06/15/34.....	1,050,000	1,003,250	1,111,683
SEARS CREDIT ACCOUNT			
2.7075% DUE 04/16/13.....	900,000	890,297	896,449
SEQUOIA MORTGAGE TRUST			
2.81563% DUE 10/19/26.....	301,364	273,927	302,211
SHINSEI BANK			
3.75% DUE 02/23/16.....	1,020,000	1,330,952	1,205,988
SIEMENS FINANCE			
2.85438% DUE 08/14/09.....	300,000	300,051	300,000
SIENA MORTGAGES			
5.188% DUE 12/16/38.....	1,716,978	2,458,785	2,054,785
SIMON PROPERTY GROUP LP			
5.6% DUE 09/01/11.....	200,000	199,879	201,934
6.125% DUE 05/30/18.....	2,100,000	1,970,067	2,001,132
SLM STUDENT LOAN TRUST			
3.1% DUE 01/27/14.....	1,300,000	1,030,848	1,038,375
4.17276% DUE 04/25/23.....	2,200,000	2,189,708	2,191,074

**PERMANENT UNIVERSITY FUND**  
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SCHEDULE D  
(CONTINUED)

SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
<b>SOCIETE GENERALE</b>			
0% DUE 10/07/08.....	4,400,000	4,368,516	4,368,516
5.922% DUE 12/31/49.....	800,000	668,986	685,359
<b>SOUTH CAROLINA ELECTRIC &amp; GAS CO</b>			
5.3% DUE 05/15/33.....	850,000	766,918	848,360
<b>SPRINT CAPITAL CORP</b>			
8.375% DUE 03/15/12.....	300,000	302,250	337,749
<b>STRUCTURED ASSET MORTGAGE</b>			
3.28% DUE 07/19/35.....	628,756	569,827	616,967
3.42688% DUE 09/25/35.....	3,159,329	1,946,732	3,122,341
<b>SUMITOMO MITSUI BANKING CORP</b>			
1.7% DUE 06/23/49.....	100,000,000	926,915	855,848
5.625% DUE 07/29/49.....	200,000	172,506	198,946
<b>SUNCOR ENERGY INC</b>			
6.1% DUE 06/01/18.....	800,000	794,468	799,064
6.5% DUE 06/15/38.....	560,000	535,982	560,364
<b>SWAN</b>			
7.45% DUE 05/12/37.....	1,179,054	983,777	1,080,960
<b>TARGET CORP</b>			
6.5% DUE 10/15/37.....	495,000	487,328	490,580
<b>TELECOM ITALIA CAPITAL</b>			
6.999% DUE 06/04/18.....	1,000,000	978,154	1,000,000
<b>TELEFONICA EMISIONES</b>			
5.984% DUE 06/20/11.....	1,900,000	1,929,621	1,900,000
<b>TEXAS STATE TRANSN COMMUNITY-MOBILITY</b>			
4.75% DUE 04/01/37.....	1,300,000	1,245,088	1,331,369
<b>TEXTRON FINANCIAL CORP</b>			
4.6% DUE 05/03/10.....	300,000	298,939	294,381
<b>THOMSON CORP</b>			
5.5% DUE 08/15/35.....	525,000	420,072	519,362
<b>THORNBURG MORTGAGE SECURITIES</b>			
5.17982% DUE 10/25/45.....	925,188	548,979	684,639
5.34229% DUE 12/25/45.....	357,396	204,489	262,686
<b>TIME WARNER CABLE INC</b>			
7.3% DUE 07/01/38.....	2,280,000	2,291,006	2,273,297
<b>TORONTO-DOMINION BANK</b>			
5.375% DUE 05/14/15.....	800,000	1,159,045	1,226,978
<b>TRANSCANADA PIPELINES LTD</b>			
6.5% DUE 08/15/18.....	730,000	737,200	729,460
<b>TYCO ELECTRONICS GROUP S A</b>			
6.55% DUE 10/01/17.....	566,000	568,302	598,347
7.125% DUE 10/01/37.....	1,560,000	1,570,787	1,630,153
<b>TYCO INTERNATIONAL GROUP SA</b>			
6% DUE 11/15/13.....	1,000,000	994,092	1,008,970
<b>UBS AG</b>			
4.28% DUE 04/29/49.....	700,000	770,674	830,571
7.152% DUE 12/29/49.....	500,000	634,223	733,925
<b>UBS AG STAMFORD CT</b>			
3.71438% DUE 05/05/10.....	1,300,000	1,295,355	1,300,000

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SCHEDULE D  
(CONTINUED)

SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
5.75% DUE 04/25/18.....	1,200,000	1,148,819	1,192,536
5.875% DUE 12/20/17.....	800,000	779,891	799,040
UNICREDIT LUXEMBOURG FIN			
2.84625% DUE 10/24/08.....	200,000	199,924	200,000
UNICREDITO ITALIAN			
3.95% DUE 02/01/16.....	900,000	1,217,459	1,035,682
UNITED HEALTH GROUP INC			
6.875% DUE 02/15/38.....	2,600,000	2,387,908	2,560,350
UNITED PARCEL SERVICES INC			
4.5% DUE 01/15/13.....	870,000	879,922	866,303
UNITED TECHNOLOGIES CORP			
5.4% DUE 05/01/35.....	786,000	729,487	779,995
UNITEDHEALTH GROUP INC			
6.625% DUE 11/15/37.....	1,895,000	1,685,184	1,807,413
UOB CAYMAN LTD			
5.796% DUE 12/29/49.....	300,000	271,125	300,000
US BANK NATIONAL ASSOCIATION			
4.375% DUE 02/28/17.....	1,800,000	2,399,355	2,559,894
VALERO ENERGY CORP			
6.625% DUE 06/15/37.....	700,000	617,644	697,991
VENTAS REALTY LTD PARTNERSHIP			
8.75% DUE 05/01/09.....	300,000	306,000	314,625
VERIZON COMMUNICATIONS INC			
4.35% DUE 02/15/13.....	1,000,000	975,818	997,240
6.4% DUE 02/15/38.....	2,600,000	2,419,180	2,575,326
VERIZON GLOBAL FUNDING CORP			
4.375% DUE 06/01/13.....	800,000	776,705	781,725
VIACOM INC			
6.875% DUE 04/30/36.....	870,000	785,645	842,425
VIRGINIA ELEC & POWER CO			
4.75% DUE 03/01/13.....	850,000	844,168	845,359
6.35% DUE 11/30/37.....	800,000	792,761	798,200
VIVENDI			
5.75% DUE 04/04/13.....	2,900,000	2,851,608	2,887,408
6.625% DUE 04/04/18.....	200,000	197,356	199,350
WACHOVIA BANK			
2.75188% DUE 12/02/10.....	400,000	381,587	399,916
5.416% DUE 01/15/45.....	450,000	443,423	441,492
WACHOVIA CORP			
5.5% DUE 05/01/13.....	1,700,000	1,560,887	1,696,158
5.75% DUE 02/01/18.....	1,200,000	1,017,796	1,194,864
WALMART STORES INC			
5.8% DUE 02/15/18.....	860,000	899,244	899,603
6.2% DUE 04/15/38.....	364,000	360,075	362,919
6.5% DUE 08/15/37.....	1,935,000	1,980,919	2,033,323
WAMU MORTGAGE			
2.73188% PASS THRU 05-AR15 A1 DUE 11/25/45.....	217,150	138,004	217,150
2.78188% PASS THRU 05-AR2 2A DUE 01/25/45.....	291,365	195,911	291,365
3.43688% PASS THRU 05-AR6 DUE 04/25/45.....	441,089	290,898	441,089



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SCHEDULE D  
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SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
5.5% DUE 08/25/35..... WASHINGTON MUTUAL MORTGAGE	708,000	495,815	566,400
3.74688% DUE 12/25/27..... WASHINGTON ST MOTOR VEHICLE	995,971	850,766	996,282
5% DUE 07/01/24..... WEA FINANCE LLC	800,000	834,128	765,512
5.4% DUE 10/01/12.....	700,000	665,060	698,684
7.125% DUE 04/15/18..... WELLS FARGO & CO	1,000,000	957,149	992,200
4.375% DUE 01/31/13.....	1,000,000	957,858	996,816
7.7% DUE 12/31/49..... WELLS FARGO CAPITAL XIII	900,000	854,653	900,000
3.43688% DUE 10/25/35..... WELLS FARGO EQUITY TRUST	436,308	421,060	436,956
4.95% DUE 03/25/36..... WELLS FARGO MORTGAGE	1,921,518	1,721,050	1,902,753
6% DUE 08/25/37.....	5,964,962	4,872,742	5,472,581
6% DUE 08/25/37.....	2,112,045	1,768,370	1,932,521
5.95% DUE 12/15/17..... WEST PENN POWER CO	860,000	853,025	857,618
5.7% DUE 12/01/36..... WISCONSIN ELECTRIC POWER CO	455,000	420,934	454,650
5.5% DUE 02/15/16..... WYETH	1,225,000	1,239,288	1,210,267
6.25% DUE 08/01/17..... XTO ENERGY INC	800,000	788,695	797,680
<b>TOTAL CORPORATE OBLIGATIONS</b>		<u>459,677,697</u>	<u>477,286,004</u>
<b>OTHER - DEBT SECURITIES</b>			
6% DUE 06/01/17..... BADGER TOBACCO ASSET SECURITIZATION CORP WIS	115,000	115,330	104,413
5.875% DUE 06/01/47..... BUCKEYE OHIO TOB SETTLEMENT	700,000	567,840	684,862
5.625% DUE 05/01/29..... CALIFORNIA STATEWIDE FINANCING AUTHORITY	75,000	66,810	67,583
4.75% DUE 01/01/30..... CHICAGO ILL PROJECT & REFERENCE	300,000	289,830	304,899
6.3% DUE 12/01/21..... CHICAGO ILLINOIS TRANSPORTATION AUTHORITY	1,700,000	1,768,425	1,700,000
5.75% DUE 06/01/47..... GOLDEN STATE TOB SECURITIZATION	600,000	494,316	559,512
4.95% DUE 06/01/23..... ILLINOIS STATE TAXABLE PENSION	515,000	493,875	467,625
5% DUE 06/01/27..... LOS ANGELES CALIF WASTERWATER SYSTEM	500,000	501,425	502,500
5% DUE 05/15/36..... LOUISVILLE & JEFFERSON COUNTY KY	200,000	201,898	188,236
4.75% DUE 06/15/38..... NEW YORK N Y CITY MUNICIPAL FINANCE AUTHORITY	500,000	489,045	505,215

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SCHEDULE D  
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SECURITY	PAR VALUE (1)	VALUE (\$)	COST (\$)
PUERTO RICO SALES TAX FING			
0% DUE 08/01/54.....	200,000	13,314	16,418
TOBACCO SEC AUTHORITY SOUTHERN CALIFORNIA			
5% DUE 06/01/37.....	500,000	371,720	421,745
TOBACCO SETTLEMENT AUTHORITY IOWA			
6.5% DUE 06/01/23.....	355,000	308,523	355,000
TOBACCO SETTLEMENT FINANCE AUTHORITY			
7.467% DUE 06/01/47.....	890,000	777,068	850,978
UBS AG LONDON ELN			
0% EQUITY LINKED NOTES (ASIA FINANCIAL) DUE 02/28/2011.....	4,970,160	2,426,929	2,426,929
0% EQUITY LINKED NOTES (SKYFRAME) DUE 08/23/2010.....	12,636,000	2,300,595	2,305,425
0% EQUITY LINKED NOTES (TOMSON PAC) DUE 04/21/2009.....	43,680	11,449	11,449
WISCONSIN ST GEN REV TXB			
5.2% DUE 05/01/18.....	850,000	859,316	847,544
TOTAL OTHER - DEBT SECURITIES		<u>12,057,708</u>	<u>12,320,333</u>
TOTAL DEBT SECURITIES		<u><u>1,278,730,866</u></u>	<u><u>1,295,400,324</u></u>

(1) Par Values on Non-US dollar denominated bonds are reported in currency of issue.

**PERMANENT UNIVERSITY FUND**  
**INVESTMENT FUNDS**  
August 31, 2008

SCHEDULE E

SECURITY	VALUE (\$)	COST (\$)
<b>INVESTMENT FUNDS - MARKETABLE ALTERNATIVE</b>		
CREDIT RELATED FIXED INCOME (See Schedule G).....	314,899,237	279,242,768
DEVELOPED COUNTRY EQUITY (See Schedule G).....	2,426,247,064	2,004,701,003
EMERGING MARKET EQUITY (See Schedule G).....	520,081,582	461,573,540
INVESTMENT GRADE FIXED INCOME (See Schedule G).....	222,704,569	190,702,979
NATURAL RESOURCES (See Schedule G).....	113,258,164	109,760,964
REAL ESTATE (See Schedule G).....	27,990,232	22,569,824
<b>TOTAL INVESTMENT FUNDS - MARKETABLE ALTERNATIVE</b>	<b>3,625,180,848</b>	<b>3,068,551,078</b>
<b>INVESTMENT FUNDS - PRIVATE MARKETS</b>		
CREDIT RELATED FIXED INCOME (See Schedule H).....	561,669,921	560,968,603
DEVELOPED COUNTRY EQUITY (See Schedule H).....	1,224,312,673	1,158,281,072
EMERGING MARKET EQUITY (See Schedule H).....	128,710,214	121,769,554
NATURAL RESOURCES (See Schedule H).....	158,608,045	108,469,179
REAL ESTATE (See Schedule H).....	47,806,512	53,065,513
<b>TOTAL INVESTMENT FUNDS - PRIVATE MARKETS</b>	<b>2,121,107,365</b>	<b>2,002,553,921</b>
<b>INVESTMENT FUNDS - DEVELOPED COUNTRY EQUITY</b>		
BGI EAFE EQUITY INDEX FUND B.....	93,621,424	112,307,882
BLAVIN 270, LP.....	17,529,006	17,000,000
ISHARES TR RUSSELL 2000 INDEX.....	16,394,625	16,300,664
ISHARES TR S&P GLOBAL 100.....	156,459,190	164,945,888
LANSDOWNE EUROPEAN FUND SERIES 1.....	134,086,179	152,168,895
MAVERICK LONG ENHANCED LTD.....	36,205,362	36,341,114
NEW MOUNTAIN VANTAGE(TEXAS)LP.....	107,811,645	110,500,000
PWB VALUE PARTNERS XIV LP.....	74,011,036	74,665,253
RELATIONAL INVESTORS XI LP.....	108,263,417	103,517,730
VALUE ACT CAPITAL INTERNATIONAL FUND LTD.....	311,412,242	255,705,443
<b>TOTAL INVESTMENT FUNDS - DEVELOPED COUNTRY EQUITY</b>	<b>1,055,794,126</b>	<b>1,043,452,869</b>
<b>INVESTMENT FUNDS - EMERGING MARKET EQUITY</b>		
AUSTIN ALPHA LP.....	102,117,247	37,050,000
BGI EMERGING MARKETS STRATEGIC INDEX FUND.....	264,494,722	356,056,851
LANSDOWNE EMERGING MARKET FUND.....	228,813,923	195,757,022
LAZARD EMERGING WORLD FUND.....	99,315,686	122,000,000
QUORUM FUND LTD.....	24,497,396	29,000,000
RUSSIAN PROSPERITY FUND.....	22,266,224	29,000,000
SSGA ACTIVE EMERGING MARKETS STRATEGY.....	67,832,929	76,556,058
TEMPLETON HIGH VALUE FUND ALPHA.....	104,362,828	91,000,000
VANGUARD EMERGING MARKETS ETF.....	158,445,448	182,263,271
<b>TOTAL INVESTMENT FUNDS - EMERGING MARKET EQUITY</b>	<b>1,072,146,403</b>	<b>1,118,683,202</b>
<b>INVESTMENT FUNDS - FIXED INCOME</b>		
BGI GLOBAL AGG EX US FUND.....	176,427,583	186,089,535
COLUMBUS EXTENDED MARKET FUND.....	1,413,334	1,300,376
GMO TRUST EMERGING COUNTRY DEBT FUND.....	9,042,339	9,756,144
PIMCO FUNDS PACIFIC INVT MGMT - DEVELOPING.....	4,825,307	4,493,459
<b>TOTAL INVESTMENT FUNDS - FIXED INCOME</b>	<b>191,708,563</b>	<b>201,639,514</b>

**PERMANENT UNIVERSITY FUND**  
**INVESTMENT FUNDS**  
August 31, 2008

SCHEDULE E  
(CONTINUED)

SECURITY	VALUE (\$)	COST (\$)
<b>INVESTMENT FUNDS - REAL ESTATE</b>		
BGI GLOBAL EX US REAL ESTATE FUND.....	83,903,715	101,183,337
ISHARES TR DOW JONES US REAL ESTATE.....	49,410,892	50,023,562
<b>TOTAL INVESTMENT FUNDS - REAL ESTATE</b>	<u>133,314,607</u>	<u>151,206,899</u>
 <b>TOTAL INVESTMENT FUNDS</b>	 <u><u>8,199,251,912</u></u>	 <u><u>7,586,087,483</u></u>

**PERMANENT UNIVERSITY FUND**  
**CASH AND CASH EQUIVALENTS**  
August 31, 2008

SCHEDULE F

SECURITY	VALUE (\$)	COST (\$)
<b>MONEY MARKET FUNDS</b>		
AUSTRALIAN DOLLAR.....	364,855	366,433
BGI MONEY MARKET FUND.....	1	1
BGI MONEY MARKET FUND.....	161,493	161,493
BSDT-LMDA II.....	532,604	532,604
CANADIAN DOLLAR.....	1,135,279	1,137,306
CASH (INTEREST BEARING).....	(32,036)	(32,036)
CASH NON CUSTODIED.....	(7,998,900)	(7,998,900)
CASH NON CUSTODIED.....	(2,307,099)	(2,307,099)
CHF (SWISS FRANC).....	466,331	494,242
DANISH KRONE.....	133,442	142,489
DREYFUS INSTITUTIONAL PREFERRED MONEY MARKET FUND.....	937,864,714	937,864,714
EURO EUROPEAN MONETARY UNIT.....	944,828	948,947
GBP (POUNDS).....	991,273	1,040,841
HONG KONG DOLLAR.....	643,166	642,878
JAPANESE.....	1,125,426	1,125,239
MXN (MEXICAN PESO) INCOME.....	7,054	7,039
NEW ZEALAND DOLLAR.....	973	997
NORWEGIAN KRONE.....	3,008	3,029
PLN (POLISH ZLOTY).....	4,150	4,534
SINGAPORE DOLLAR.....	272,951	282,486
SWEDISH.....	2,840	2,890
TEXAS STATE TREASURY FUND.....	4,867,824	4,867,824
TWD (TAIWAN DOLLAR).....	1,038,442	1,030,015
<b>TOTAL MONEY MARKET FUNDS</b>	<u>940,222,619</u>	<u>940,317,966</u>
 <b>TOTAL CASH AND CASH EQUIVALENTS</b>	 <u><u>940,222,619</u></u>	 <u><u>940,317,966</u></u>

**PERMANENT UNIVERSITY FUND**  
**MARKETABLE ALTERNATIVE INVESTMENT POOL**  
August 31, 2008

SCHEDULE G

SECURITY	VALUE (\$)	COST (\$)
<b>CREDIT RELATED FIXED INCOME</b>		
BAUPOST VALUE PARTNERS L.P. IV.....	53,170,364	46,219,692
BLACKSTONE DISTRESSED SECURITIES OFFSHORE FUND LTD.....	24,327,115	23,275,955
CENTERBRIDGE CREDIT PARTNERS OFFSHORE LTD.....	54,995,999	46,229,051
OCM HIGH YIELD PLUS (CAYMAN) FUND LTD.....	15,069,006	11,554,923
SATELLITE FUND V LLC.....	100,354,679	93,024,029
SILVER POINT CAPITAL OFFSHORE FUND LTD.....	42,508,735	35,829,272
WATERSHED CAPITAL INSTITUTIONAL PARTNERS L.P.....	24,473,339	23,109,846
<b>TOTAL CREDIT RELATED FIXED INCOME</b>	<b>314,899,237</b>	<b>279,242,768</b>
<b>DEVELOPED COUNTRY EQUITY</b>		
AG SUPER FUND L.P.....	43,204,457	42,944,339
BGI GLOBAL MARKET NEUTRAL FUND B.....	129,490,490	137,633,159
BRAHMAN PARTNERS II OFFSHORE LTD.....	52,556,730	58,945,542
CCM SMALL CAP VALUE FUND LTD.....	34,579,465	45,243,752
CRITERION CAPITAL PARTNERS LTD.....	31,715,790	35,431,072
EMINENCE FUND LTD.....	103,266,486	81,075,993
EMINENCE LEVERAGED LONG ALPHA LTD RECEIVABLE.....	335,271	353,013
EMINENCE LONG ALPHA LTD RECEIVABLE.....	324,586	341,762
ESL LIMITED.....	44,419,002	57,259,118
ETON PARK OVERSEAS FUND LTD.....	51,223,281	44,000,728
FARALLON CAPITAL OFFSHORE INVESTORS INC.....	45,972,921	50,381,568
FCOI II HOLDINGS L.P.....	308,201,833	251,052,146
FOX POINT OFFSHORE LTD.....	38,325,128	38,482,286
HIGHSIDE OFFSHORE LTD.....	77,419,590	59,503,096
INDUS EVENT DRIVEN FUND LTD.....	2,493,094	2,695,196
INDUS JAPAN FUND LTD.....	40,156,679	40,097,931
LANSDOWNE UK EQUITY FUND LTD.....	56,682,650	42,414,966
MAVERICK FUND LTD.....	278,234,356	135,927,805
MILLGATE INTERNATIONAL LTD.....	26,800,042	26,179,270
OWL CREEK OVERSEAS FUND LTD.....	33,821,582	42,944,339
OZ ASIA OVERSEAS FUND LTD.....	48,642,518	49,847,879
OZ EUROPE OVERSEAS FUND LTD.....	56,830,356	48,150,873
OZ OVERSEAS FUND I LTD.....	82,278,717	69,338,767
PERRY PARTNERS INTERNATIONAL INC.....	340,258,552	214,039,472
PROTÉGÉ PARTNERS FUND LTD.....	162,692,539	113,872,611
ROCK CREEK PARTNERS FUND I (OFFSHORE) L.P.....	4,543,380	5,218,859
SHEPHERD INVESTMENTS INTERNATIONAL LTD.....	46,341,443	48,820,485
STEADFAST INTERNATIONAL LTD.....	95,322,738	82,755,590
TIGER CONSUMER PARTNERS OFFSHORE LTD.....	26,016,552	28,694,773
TPG-AXON PARTNERS (OFFSHORE) LTD.....	109,363,001	94,477,545
WESTFIELD LIFE SCIENCES FUND (CAYMANS) INC.....	54,733,835	56,577,068
<b>TOTAL DEVELOPED COUNTRY EQUITY</b>	<b>2,426,247,064</b>	<b>2,004,701,003</b>
<b>EMERGING MARKET EQUITY</b>		
BLUE RIDGE OFFSHORE L.P.....	250,006,931	158,476,892
INDUS ASIA PACIFIC FUND LTD.....	25,276,011	16,508,010

**PERMANENT UNIVERSITY FUND**  
**MARKETABLE ALTERNATIVE INVESTMENT POOL**  
August 31, 2008

SCHEDULE G  
(CONTINUED)

SECURITY	VALUE (\$)	COST (\$)
MOON CAPITAL GLOBAL EQUITY OFFSHORE FUND LTD.....	81,584,469	100,833,911
OCM EMERGING MARKETS (CAYMAN) FUND LTD.....	27,948,051	22,285,813
PENTA ASIA FUND LTD.....	18,341,375	29,714,417
PENTA ASIA LONG SHORT FUND LTD.....	30,720,791	42,920,825
SPINNAKER GLOBAL EMERGING MARKETS FUND LTD.....	65,973,852	66,071,658
VALIANT CAPITAL PARTNERS OFFSHORE LTD.....	20,230,102	24,762,014
<b>TOTAL EMERGING MARKET EQUITY</b>	<u>520,081,582</u>	<u>461,573,540</u>
<b>INVESTMENT GRADE FIXED INCOME</b>		
BRIDGEWATER PURE ALPHA FUND II LTD.....	161,394,177	131,430,432
PARKCENTRAL GLOBAL FUND LTD.....	61,310,392	59,272,547
<b>TOTAL INVESTMENT GRADE FIXED INCOME</b>	<u>222,704,569</u>	<u>190,702,979</u>
<b>NATURAL RESOURCES</b>		
BLACK RIVER COMMODITY MULTI-STRATEGY FUND LTD.....	76,671,426	67,173,132
CCM SPECIAL HOLDINGS FUND LP.....	10,060,479	15,970,437
CDM FUTURES LLC (1).....	13,265,726	13,308,697
MJW FUTURES LLC (1).....	13,260,533	13,308,698
<b>TOTAL NATURAL RESOURCES</b>	<u>113,258,164</u>	<u>109,760,964</u>
<b>REAL ESTATE</b>		
GEM REALTY SECURITIES LTD.....	27,990,232	22,569,824
<b>TOTAL REAL ESTATE</b>	<u>27,990,232</u>	<u>22,569,824</u>
 <b>TOTAL MARKETABLE ALTERNATIVE INVESTMENT POOL</b>	 <u>3,625,180,848</u>	 <u>3,068,551,078</u>

(1) INVESTMENTS MADE THROUGH LIMITED LIABILITY COMPANIES (LLCs), OF WHICH UTIMCO IS THE SOLE MANAGING MEMBER. SEE NOTE 5 FOR FURTHER DETAILS.

**PERMANENT UNIVERSITY FUND**  
**PRIVATE INVESTMENT POOL**  
August 31, 2008

SCHEDULE H

SECURITY	VALUE (\$)	COST (\$)
<b>CREDIT RELATED FIXED INCOME</b>		
AG CAPITAL RECOVERY PARTNERS IV LP.....	402,120	574,907
AG CAPITAL RECOVERY PARTNERS V LP.....	14,916,665	15,360,474
APOLLO CREDIT OPPORTUNITY FUND II LP.....	22,002,139	22,217,071
AVENUE ASIA SPECIAL SITUATIONS FUND IV LP.....	9,576,906	8,402,344
AVENUE SPECIAL SITUATIONS FUND V LP.....	26,245,064	26,694,787
B IV CAPITAL PARTNERS L P.....	5,010,078	6,375,483
BLACKSTONE SPECIAL FUNDING (CAYMAN) LP.....	39,010,997	37,345,355
CITICORP MEZZANINE PARTNERS LP.....	43,356	1,786,535
CVI GLOBAL VALUE FUND A LP.....	54,863,905	52,288,996
DDJ TOTAL RETURN LOAN FUND LP.....	13,421,843	15,810,726
H I G BAYSIDE DEBT & LBO FUND II LP.....	748,478	733,004
MATLIN PATTERSON GLOBAL OPPORTUNITIES PARTNERS II LP....	14,326,897	17,787,863
MATLIN PATTERSON GLOBAL OPPORTUNITIES PARTNERS III LP...	16,045,917	15,572,251
MATLIN PATTERSON GLOBAL OPPORTUNITIES PARTNERS LP.....	3,775,449	3,543,262
NORTHSTAR SEIDLER MEZZANINE PARTNERS II LP.....	4,007,481	3,876,311
OAKTREE LOAN FUND 2X LP.....	161,300,941	157,800,536
OCM OPPORTUNITIES FUND III LP.....	913,293	1,196,717
OCM OPPORTUNITIES FUND IV LP.....	84,347	349,428
OCM OPPORTUNITIES FUND V LP.....	6,019,327	14,008,380
OCM OPPORTUNITIES FUND VI LP.....	21,745,873	18,092,313
OCM OPPORTUNITIES FUND VII LP.....	22,775,053	20,780,032
OCM OPPORTUNITIES FUND VIIB LP.....	2,743,430	2,748,763
PMI MEZZANINE FUND LP.....	30,831	31,658
VARDE FUND IX LP.....	63,353,782	62,828,879
VARDE FUND VIII LP.....	42,780,953	42,168,871
WINDJAMMER MEZZANINE & EQUITY FUND II LP.....	8,681,736	6,305,704
WINDJAMMER SENIOR EQUITY PARTNERS III LP.....	6,843,060	6,287,953
<b>TOTAL CREDIT RELATED FIXED INCOME</b>	<b>561,669,921</b>	<b>560,968,603</b>
<b>DEVELOPED COUNTRY EQUITY</b>		
3I EUROPARTNERS II LP.....	547,006	915,070
3I EUROPARTNERS IIIA LP.....	1,557,863	886,791
3I EUROPARTNERS VA LP.....	22,983,197	23,360,223
3I UK INVESTMENT PARTNERS.....	1,566,622	1,395,223
3I UKIP II.....	115,056	328,727
ADVANCED TECHNOLOGY VENTURES VII LP.....	11,020,410	9,626,953
AG PRIVATE EQUITY PARTNERS III LP.....	11,017,005	12,507,098
AMERICAN SECURITIES PARTNERS II LP.....	119,838	125,923
AMERICAN SECURITIES PARTNERS III LP.....	8,789,501	9,020,144
AMPERSAND 1995 LP.....	336,736	396,120
AMPERSAND 1999 LP.....	6,071,294	1,757,496
AMPERSAND 2001 LP.....	19,428,239	11,893,501
AMPERSAND 2006 LP.....	8,623,481	8,299,967
ARCH VENTURE FUND VI LP.....	12,853,648	12,349,826
ARCH VENTURE FUND VII LP.....	1,653,831	2,038,593
ARTIMAN VENTURES II LP.....	4,311,991	4,737,926



**PERMANENT UNIVERSITY FUND**  
**PRIVATE INVESTMENT POOL**  
August 31, 2008

SCHEDULE H  
(CONTINUED)

SECURITY	VALUE (\$)	COST (\$)
ATLAS VENTURE FUND VI LP.....	7,805,702	7,749,402
AUSTIN VENTURES IV LP.....	13,490	21,344
AUSTIN VENTURES IX LP.....	5,866,791	5,180,595
AUSTIN VENTURES V LP.....	610,249	3,659,579
AUSTIN VENTURES VI LP.....	3,416,485	5,065,624
AUSTIN VENTURES VII LP.....	4,734,573	6,647,286
AUSTIN VENTURES VIII LP.....	10,205,261	7,460,878
BAKER COMMUNICATIONS FUND II (QP) LP.....	14,359,365	12,587,194
BAKER COMMUNICATIONS FUND LP.....	18,384,535	7,789,933
BAND OF ANGELS FUND LP.....	3,334,674	3,843,721
BARCLAYS PRIVATE EQUITY EUROPEAN FUND A LP.....	8,205,048	5,635,017
BARCLAYS PRIVATE EQUITY EUROPEAN FUND III LP.....	17,050,060	18,386,015
BEACON GROUP III FOCUS VALUE FUND LP.....	1,702,315	6,683,489
BLACKSTONE CAPITAL PARTNERS IV LP.....	22,291,759	19,007,066
BLACKSTONE CAPITAL PARTNERS V LP.....	31,711,471	32,520,167
CANDOVER 2001 FUND US NO 2 LP.....	16,284,017	13,247,483
CANDOVER 2005 FUND US NO 3 LP.....	21,338,397	22,595,014
CARE CAPITAL INVESTMENTS III LP.....	3,621,381	4,945,564
CARLYLE PARTNERS II LP.....	1,315,783	477,757
CARLYLE PARTNERS III LP.....	4,232,915	4,757,163
CARLYLE PARTNERS IV LP.....	26,472,505	24,557,302
CARLYLE PARTNERS V LP.....	8,661,869	9,599,265
CENTERBRIDGE CAPITAL PARTNERS LP.....	13,680,492	15,621,413
CERBERUS INSTITUTIONAL PARTNERS LP.....	22,837,265	28,002,019
CGW SOUTHEAST PARTNERS IV LP.....	6,235,853	5,725,643
CHALLENGER CORPORATION.....	6	6
CLAYTON, DUBILIER & RICE FUND V LP.....	635,622	2,509,146
CORTEC GROUP FUND III LP.....	5,492,045	2,737,598
CORTEC GROUP FUND IV LP.....	13,199,963	14,347,991
CRESCENDO II LP.....	0	1
CRESCENDO III LP.....	874,251	1,304,319
CRESCENDO IV LP.....	2,859,857	2,867,248
CVC EUROPEAN EQUITY PARTNERS IV (C) LP.....	21,312,574	17,220,410
CVC EUROPEAN EQUITY PARTNERS LP.....	4,217,992	426,871
CVC EUROPEAN EQUITY PARTNERS TANDEM FUND.....	12,203,146	13,535,566
CVC EUROPEAN EQUITY PARTNERS V LP.....	295,690	341,211
DOUGHTY HANSON & CO FUNDS II.....	1,388,258	703,406
DOUGHTY HANSON & CO III.....	19,247,842	4,804,129
DOUGHTY HANSON & CO IV.....	22,430,862	22,971,835
DOUGHTY HANSON & CO V.....	20,389,745	21,403,709
EOS CAPITAL PARTNERS III LP.....	11,086,533	10,210,094
EOS CAPITAL PARTNERS IV LP.....	2,933,145	3,386,898
ESCALATE CAPITAL I LP.....	12,707,457	13,483,258
FISHER LYNCH VENTURE PARTNERSHIP LP.....	11,409,328	11,442,994
FORTRESS FUND IV (COINVESTMENT FUND A) LP.....	12,491,263	12,702,553
FORTRESS FUND IV (FUND A) LP.....	11,639,089	12,280,814
FORTRESS FUND V (COINVESTMENT FUND A) LP.....	9,086,762	16,134,981
FORTRESS FUND V (FUND A) LP.....	6,935,343	12,726,544

**PERMANENT UNIVERSITY FUND**  
**PRIVATE INVESTMENT POOL**  
August 31, 2008

SCHEDULE H  
(CONTINUED)

SECURITY	VALUE (\$)	COST (\$)
FOUNDATION CAPITAL IV LP.....	12,525,723	10,889,536
FOUNDRY VENTURE CAPITAL 2007 LP.....	7,518,983	6,791,518
FOURTH CINVEN FUND LIMITED PARTNERSHIP.....	30,879,889	32,615,436
FRANCISCO PARTNERS II LP.....	11,651,049	13,518,017
GREEN EQUITY INVESTORS III LP.....	8,467,024	10,464,414
GREEN EQUITY INVESTORS IV LP.....	14,200,377	14,877,129
GREEN EQUITY INVESTORS V LP.....	8,957,347	9,876,015
HAMPSHIRE EQUITY PARTNERS II LP.....	5,073	32,706
HELLMAN & FRIEDMAN CAPITAL PARTNERS II LP.....	5,406	5,772
INTEGRAL CAPITAL PARTNERS VII LP.....	1,365,215	1,614,722
INVENTION INVESTMENT FUND II LLC.....	2,252,943	2,405,210
INVERNESS PARTNERS II LP.....	31,346,100	14,030,319
INVERNESS/PHOENIX PARTNERS LP.....	10,820,205	2,463,820
JATOTECH VENTURES LP.....	1,164,511	4,628,829
KKR 1996 FUND LP.....	4,707,945	6,412,090
KKR 2006 FUND LP.....	36,155,735	37,121,580
KNIGHTSBRIDGE VENTURE CAPITAL VI LP.....	7,784,139	7,697,258
LAKE CAPITAL PARTNERS II LP.....	12,445,008	11,623,786
LAKE CAPITAL PARTNERS LP.....	12,605,455	11,763,292
MEDSITE INC.....	0	1
MORGENTHALER PARTNERS VI LP.....	1,676,380	3,555,508
MORGENTHALER PARTNERS VII LP.....	8,803,184	9,049,801
MORGENTHALER PARTNERS VII LP.....	587,917	548,710
MORGENTHALER PARTNERS VIII LP.....	10,593,546	10,710,148
MORGENTHALER VENTURE PARTNERS IV LP.....	810,454	376,532
MORGENTHALER VENTURE PARTNERS IX LP.....	1,278,991	1,365,433
MORGENTHALER VENTURE PARTNERS V LP.....	5,205,876	794,939
MSOUTH EQUITY PARTNERS LP.....	1,383,590	1,612,465
PARTHENON INVESTORS II LP.....	12,996,379	9,308,440
PINTO TV ANNEX FUND LP.....	3,753,282	4,028,410
POLARIS VENTURE PARTNERS IV LP.....	13,288,263	10,672,978
POLARIS VENTURE PARTNERS V LP.....	5,136,877	5,506,093
POMONA CAPITAL V LP.....	6,397,230	2,090,168
POMONA CAPITAL VI LP.....	20,952,268	15,963,843
PRIME VIII LP.....	3,348,853	6,827,908
PROSPECT VENTURE PARTNERS II LP.....	9,506,985	9,734,287
PTV SCIENCES II LP.....	11,351,345	13,235,434
PTV SCIENCES LP.....	17,183,042	15,302,676
RESERVOIR CAPITAL INVESTMENT PARTNERS (CAYMAN) LP.....	6,394,957	6,827,166
RESERVOIR CAPITAL PARTNERS (CAYMAN) LP.....	32,416,575	27,509,700
SARATOGA PARTNERS II LP.....	0	1
SKM EQUITY FUND II LP.....	9,218,055	9,760,019
SOFINNOVA VENTURE PARTNERS VII LP.....	3,344,202	3,541,716
SONGBIRD HEARING INC.....	0	8
SOUTHWEST OPPORTUNITY FUND I LP.....	3,300,472	3,227,267
SPARK CAPITAL II LP.....	2,471,866	2,799,138
TCV V LP.....	15,742,082	11,864,338
TCV VI LP.....	12,768,134	12,773,948

**PERMANENT UNIVERSITY FUND**  
**PRIVATE INVESTMENT POOL**  
August 31, 2008

SCHEDULE H  
(CONTINUED)

SECURITY	VALUE (\$)	COST (\$)
TDR CAPITAL II A LP.....	8,236,495	10,153,231
TERASTOR CORPORATION.....	0	21
TEXAS GROWTH FUND - 1991 TRUST.....	308	1,154
TEXAS GROWTH FUND - 1995 TRUST.....	954	102,897
THIRD CINVEN FUND US (NUMBER 5) LP.....	11,383,378	8,741,237
TPG PARTNERS IV LP.....	13,423,670	10,808,472
TPG PARTNERS V LP.....	35,673,370	40,403,208
TPG PARTNERS VI LP.....	1,765,466	3,205,006
TPG STAR LP.....	7,189,487	8,716,474
TRANSCARE CORPORATION.....	21	23
TRITON FUND II L P.....	15,304,604	16,538,372
UNION SQUARE VENTURES 2004 LP.....	9,604,269	8,921,089
UNION SQUARE VENTURES 2008 LP.....	799,370	853,396
WAND EQUITY PORTFOLIO II LP.....	10,274,518	5,405,808
WAND SECONDARY INTERESTS.....	565,015	1,007,500
WARBURG PINCUS PRIVATE EQUITY IX LP.....	33,050,096	31,702,055
WARBURG PINCUS PRIVATE EQUITY VIII LP.....	20,030,109	12,483,370
WARBURG PINCUS PRIVATE EQUITY X LP.....	8,915,493	12,155,105
WINGATE PARTNERS II LP.....	963,190	344,352
WINGATE PARTNERS III LP.....	11,684,904	6,131,342
WINGATE PARTNERS IV LP.....	10,891,320	11,960,987
WOODLANDS VENTURE FUND LP.....	0	1
WOODLANDS/ESSEX VENTURE FUND III LP.....	1,582,958	1,880,352
<b>TOTAL DEVELOPED COUNTRY EQUITY</b>	<b>1,224,312,673</b>	<b>1,158,281,072</b>
<b>EMERGING MARKET EQUITY</b>		
ASHMORE GLOBAL SPECIAL SITUATIONS FUND 4 LP.....	63,323,805	65,653,414
ASIAN CORPORATE FINANCE FUND LP.....	539,600	363,582
BARING ASIA PRIVATE EQUITY FUND IV LP.....	14,925,804	15,821,292
EMERALD HILL CAPITAL PARTNERS I LP.....	10,257,448	10,878,737
EMERALD HILL CAPITAL PARTNERS II.....	3,092,688	3,146,324
GOBI FUND II LP.....	1,755,937	2,260,555
INVENTION DEVELOPMENT FUND I LLC.....	799,643	1,495,939
NEW MARGIN GROWTH FUND LP.....	8,329,340	9,346,216
PRIME ENTERPRISES II LP.....	1,966,103	2,546,869
ZN MEXICO II LP.....	23,719,846	10,256,626
<b>TOTAL EMERGING MARKET EQUITY</b>	<b>128,710,214</b>	<b>121,769,554</b>
<b>NATURAL RESOURCES</b>		
ARLIGHT ENERGY PARTNERS FUND I LP.....	6,819,994	2,090,580
ARLIGHT ENERGY PARTNERS FUND II LP.....	22,097,650	15,912,464
ARLIGHT ENERGY PARTNERS FUND III LP.....	24,539,165	25,087,136
ARLIGHT ENERGY PARTNERS FUND IV LP.....	13,031,183	13,695,530
COUNTY OF ANDERSON - ASPECT RESOURCES.....	1	1
COUNTY OF ANDERSON - MB EXPLORATION.....	1	1
COUNTY OF HENDERSON - ASPECT RESOURCES.....	1	1
COUNTY OF HENDERSON - MB EXPLORATION.....	1	1

**PERMANENT UNIVERSITY FUND**  
**PRIVATE INVESTMENT POOL**  
August 31, 2008

SCHEDULE H  
(CONTINUED)

SECURITY	VALUE (\$)	COST (\$)
COUNTY OF HENDERSON - OVERRIDING ROYALTY INTERESTS.....	1	1
COUNTY OF SMITH - ASPECT RESOURCES.....	1	1
COUNTY OF SMITH - MB EXPLORATION.....	1	1
COUNTY OF VAN ZANDT - ASPECT RESOURCES.....	1	1
COUNTY OF VAN ZANDT - MB EXPLORATION.....	1	1
COUNTY OF VAN ZANDT - OVERRIDING ROYALTY INTERESTS.....	1	1
COUNTY OF WOOD - ASPECT RESOURCES.....	1	1
COUNTY OF WOOD - MB EXPLORATION.....	1	1
ENCAP ENERGY CAPITAL FUND III-B LP.....	11,524,248	208,770
ENCAP ENERGY CAPITAL FUND IV-B LP.....	1,681,387	1,589,901
ENCAP ENERGY CAPITAL FUND VII LP.....	9,699,534	10,685,196
ENERGY ASSET OPTION FUND I LP.....	1,148,101	4,337,186
GOLDSTON OIL CORPORATION - GLADEWATER JETER.....	2,751,807	1
GOLDSTON OIL CORPORATION - GLADEWATER JETER ROYALTY I	2,026,642	158,632
GOLDSTON OIL CORPORATION - JETER #3.....	976,830	15,466
GOLDSTON OIL CORPORATION - JETER #4.....	923,618	630,622
GOLDSTON OIL CORPORATION - JETER #5.....	672,003	862,383
NATURAL GAS PARTNERS IX LP.....	4,444,887	5,069,511
OCM/GFI POWER OPPORTUNITIES FUND II LP.....	13,668,323	2,025,380
SCF PARTNERS VII LP.....	183,313	190,437
SCF-IV LP.....	18,563,037	2,324,482
SCF-V LP.....	9,242,462	8,143,624
SCF-VI LP.....	14,613,849	15,441,866
<b>TOTAL NATURAL RESOURCES</b>	<u>158,608,045</u>	<u>108,469,179</u>
<b>REAL ESTATE</b>		
FIVE MILE CAPITAL PARTNERS II LP.....	5,055,447	7,324,506
MORGAN STANLEY REAL ESTATE SPECIAL SITUATIONS FUND III	9,155,835	9,750,000
NORTHWOOD REAL ESTATE CO-INVESTORS LP.....	-17,554	30,788
NORTHWOOD REAL ESTATE PARTNERS LP.....	-114,246	407,057
SHORENSTEIN REALTY INVESTMENT IX LP.....	12,069,523	12,878,967
TROPHY PROPERTY (TE) LP.....	21,657,507	22,674,195
<b>TOTAL REAL ESTATE</b>	<u>47,806,512</u>	<u>53,065,513</u>
<b>TOTAL PRIVATE INVESTMENT POOL</b>	<u><u>2,121,107,365</u></u>	<u><u>2,002,553,921</u></u>

**Note 1 – Organization**

The Permanent University Fund (PUF) is a state endowment contributing to the support of eligible institutions of The University of Texas System (UT System) and The Texas A&M University System (TAMU System). The PUF was established in the Texas Constitution of 1876 through the appropriation of land grants previously given to the University of Texas, as well as an additional one million acres. Additional land grants to the PUF were completed in 1883 with the contribution of another one million acres. Today, the PUF contains over 2.1 million acres of land located primarily in 19 counties in West Texas (PUF Lands).

PUF Lands are managed by UT System administration and produce two streams of income: mineral and surface. UT System administration remits mineral income to the PUF, and distributes surface income to the Available University Fund (AUF). The mineral income retained by the PUF is invested and managed by The University of Texas Investment Management Company (UTIMCO).

**Note 2 – Significant Accounting Policies**

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

Fixed income securities held directly by the PUF are valued based upon prices supplied by FT Interactive Data 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).

Private investment funds and certain other equity securities are fair valued by management. The fair values of these investments are estimated by management using the partnership's capital account balance at the closest available reporting period, as communicated by the general partner, adjusted for contributions and withdrawals subsequent to the latest available reporting period as well as consideration of any other information which has been provided by the partnership or other source. In rare cases the private market funds are valued at cost, but only when management feels this is the best approximation of value.

Securities held by the PUF in index and exchange traded funds are generally valued as follows:

Long and short stock positions traded on security exchanges are valued at closing market prices on the valuation date.

Long and short stock positions 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.

## PERMANENT UNIVERSITY FUND

*Notes to Detail Schedules of Investment Securities (cont.)*

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Investments in registered U.S. mutual funds are being valued at their respective net asset value per share amounts.

Hedge funds, developed country equity, emerging market and fixed income investment funds and certain other investment funds are fair valued by management on net asset value information provided by the investment manager as well as other relevant factors as indicated above.

**(B) *Foreign Currency Translation*** -- The accounting records of the PUF 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 PUF 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) *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.

**(D) *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 income and expenses during the reporting period. Actual results could differ from these estimates.

**(K) *Reclassifications*** -- Certain items related to 2007 in the notes to the Detail Schedules of Investment Securities have been reclassified to conform with the 2008 classification.

### **Note 3 – Investment Risk**

The investment risk disclosure that follows relates to the PUF'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 of The University of Texas System (UT Board), subject to procedures and restrictions it establishes, to invest 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 UT Board, 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.

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). During the year, the PUF's investment policy was amended to remove

## PERMANENT UNIVERSITY FUND

*Notes to Detail Schedules of Investment Securities (cont.)*

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requirements and limitations regarding investment ratings. The amendments were effective March 1, 2008. Prior to the amendments, the policy limited investments in U.S. Domestic bonds and non-dollar denominated bond investments to those that were 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 did not apply to investment managers that were 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 at August 31, 2008 and 2007:

# PERMANENT UNIVERSITY FUND

Notes to Detail Schedules of Investment Securities (cont.)

Investment Type	August 31,		Rating
	2008	2007	
<b>Investments:</b>			
U.S. Government Guaranteed	\$ 320,972,087	\$ 559,387,423	Exempt from Disclosure
U.S. Government Non-Guaranteed:			
U.S. Agency	1,578,092	33,382,477	AAA
U.S. Agency Asset Backed	253,524,828	530,217,675	AAA
Total U.S. Government Non-Guaranteed	255,102,920	563,600,152	
Total U.S. Government	576,075,007	1,122,987,575	
Corporate Obligations:			
Domestic	107,664,217	82,823,455	AAA
Domestic	51,685,984	30,835,986	AA
Domestic	111,002,252	38,363,938	A
Domestic	45,159,483	26,967,071	BAA/BBB
Domestic	2,490,129	8,683,223	BA/BB
Domestic	2,797,460	4,322,937	B
Domestic	-	1,065,300	CAA
Domestic	298,770	300,873	CCC
Domestic	1,121,073	293,979	P
Commercial Paper	17,679,402	64,855,545	P
Commercial Paper	-	6,992,643	A
Certificate of Deposits	-	7,601,651	AA
Foreign	47,785,081	14,596,269	AAA
Foreign	21,064,268	8,188,554	AA
Foreign	20,536,408	9,363,764	A
Foreign	29,591,080	15,424,270	BAA/BBB
Foreign	802,091	-	Not Rated
Total Corporate Obligations	459,677,698	320,679,458	
Foreign Government and Provincial Obligations	105,372,578	65,703,753	AAA
Foreign Government and Provincial Obligations	57,547,732	2,063,952	AA
Foreign Government and Provincial Obligations	46,838,155	21,820,676	A
Foreign Government and Provincial Obligations	10,018,943	3,240,493	BAA/BBB
Foreign Government and Provincial Obligations	11,143,040	1,579,364	BA/BB
Total Foreign Government and Provincial Obligations	230,920,448	94,408,238	
Other Debt Securities	1,149,146	1,595,969	AAA
Other Debt Securities	2,751,345	2,007,512	AA
Other Debt Securities	716,637	-	A
Other Debt Securities	2,701,607	757,688	BAA/BBB
Other Debt Securities	4,738,972	-	Not Rated
Total Other Debt Securities	12,057,707	4,361,169	
Total Debt Securities	\$ 1,278,730,860	\$ 1,542,436,440	
Other Investment Funds - Debt	\$ -	\$ 32,110,086	AAA
Other Investment Funds - Debt	176,427,582	38,753,033	AA
Other Investment Funds - Debt	-	99,557,276	A
Other Investment Funds - Debt	13,867,647	8,913,909	BA/BB
Other Investment Funds - Debt	1,413,334	5,592,289	B
Total Other Investment Funds - Debt	\$ 191,708,563	\$ 184,926,593	
Cash and Cash Equivalents - Money Market Funds	\$ 940,222,615	\$ 1,644,434,954	AAA
<b>Deposit with Brokers for Derivative Contracts:</b>			
U.S. Government Guaranteed	\$ 32,430,842	\$ 71,852,155	Exempt from Disclosure
Cash	26,265,293	2,930,980	Exempt from Disclosure
	\$ 58,696,135	\$ 74,783,135	



## PERMANENT UNIVERSITY FUND

*Notes to Detail Schedules of Investment Securities (cont.)*

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### **(B) Concentrations of Credit Risk**

The PUF'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. As of August 31, 2008 and 2007, the PUF does not hold any direct investments in any one issuer of corporate or municipal bonds that is 5% or more of the market value of the PUF's domestic fixed income 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 PUF 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 PUF 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 PUF'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, 2008 and 2007, the PUF does not have any deposits or 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 PUF is measured by monitoring the modified duration of the overall investment portfolio. Modified duration estimates the sensitivity of the PUF's investments to changes in interest rates. The PUF has no specific policy statement limitations with respect to its overall modified duration. The following table summarizes the PUF's modified duration by investment type at August 31, 2008 and 2007:

# PERMANENT UNIVERSITY FUND

Notes to Detail Schedules of Investment Securities (cont.)

Investment Type	August 31,			
	2008		2007	
	Value	Modified Duration	Value	Modified Duration
<b>Investments:</b>				
U.S. Government Guaranteed:				
U.S. Treasury Bonds and Notes	\$ 48,820,171	5.28	\$ 125,429,786	7.34
U.S. Treasury Strips	5,551,649	3.00	5,416,919	3.98
U.S. Treasury Bills	13,266,748	0.08	12,679,088	0.04
U.S. Treasury Inflation Protected	206,431,289	8.52	400,002,468	8.76
U.S. Agency Asset Backed	46,902,230	4.36	15,859,162	6.51
Total U.S. Government Guaranteed	<u>320,972,087</u>	6.97	<u>559,387,423</u>	8.14
U.S. Government Non-Guaranteed:				
U.S. Agency	1,578,091	5.13	20,300,126	1.81
U.S. Agency Asset Backed	253,524,829	6.06	530,217,675	5.19
U.S. Agency Commercial Paper	-	-	13,082,351	0.02
Total U.S. Government Non-Guaranteed	<u>255,102,920</u>	6.05	<u>563,600,152</u>	4.94
Total U.S. Government	<u>576,075,007</u>	6.57	<u>1,122,987,575</u>	6.53
Corporate Obligations:				
Domestic	322,219,368	5.40	193,656,762	4.35
Commercial Paper	17,679,402	0.09	71,848,188	0.16
Certificates of Deposit	-	-	7,601,651	1.00
Foreign	119,778,928	5.23	47,572,857	6.96
Total Corporate Obligations	<u>459,677,698</u>	5.15	<u>320,679,458</u>	3.72
Foreign Government and Provincial Obligations	<u>230,920,448</u>	7.61	<u>94,408,238</u>	5.83
Other Debt Securities	<u>12,057,707</u>	5.92	<u>4,361,169</u>	9.91
Total Debt Securities	<u>1,278,730,860</u>	6.24	<u>1,542,436,440</u>	5.92
Other Investment Funds - Debt	<u>191,708,563</u>	5.70	<u>184,926,593</u>	3.59
Cash and Cash Equivalents:				
Money Market Funds	<u>940,222,615</u>	0.08	<u>1,644,434,954</u>	0.08
Total	<u>\$ 2,410,662,038</u>	3.80	<u>\$ 3,371,797,987</u>	2.94
<b>Deposit with Brokers for Derivative Contracts:</b>				
U.S. Government Guaranteed:				
U.S. Treasury Bills	\$ 32,430,842	0.18	\$ 71,852,155	0.13
Cash	<u>26,265,292</u>	-	<u>2,930,980</u>	-
Total Deposit with Brokers for Derivative Contracts	<u>\$ 58,696,134</u>	0.10	<u>\$ 74,783,135</u>	0.13

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

In accordance with the PUF's investment policy statement, the PUF may invest in various mortgage backed securities, such as collateralized mortgage backed obligations. The PUF also may invest in investments that have floating rates with periodic coupon changes in market rates, zero coupon bonds and stripped Treasury and Agency securities created from coupon securities. No percentage of holdings limitations are specified in the investment policy statements regarding these types of securities. As of August 31, 2008 and 2007, the PUF's investments include the following investments that are highly sensitive to interest rate changes:

## PERMANENT UNIVERSITY FUND

*Notes to Detail Schedules of Investment Securities (cont.)*

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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. These securities amounted to \$192,462,475 and \$163,477,418 as of August 31, 2008 and 2007, respectively.

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. These securities amounted to \$192,506,999 and \$442,400,200 as of August 31, 2008 and 2007, respectively.

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. These securities amounted to \$30,534,964 and \$23,296,794 as of August 31, 2008 and 2007, respectively.

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. These securities amounted to \$220,434 and \$3,457,619 as of August 31, 2008 and 2007, respectively.

### **(F) Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of the PUF's non-U.S. dollar investments. The PUF's investment policy statement was amended during the year to remove limitations on investments in non-U.S. denominated bonds. The amendments were effective March 1, 2008. Prior to the amendments, the policy statement limited investments in non-U.S. denominated bonds to 50% of the PUF's total fixed income exposure. The following table summarizes the PUF's non-U.S. dollar investments by asset type at August 31, 2007 and 2006:

**PERMANENT UNIVERSITY FUND**  
*Notes to Detail Schedules of Investment Securities (cont.)*

Investment Type	August 31,	
	2008	2007
<b>Domestic Common Stock:</b>		
Canadian Dollar	\$ -	\$ 92,144
UK Pound	90,769	66,172
Total Domestic Common Stock	90,769	158,316
<b>Foreign Common Stock:</b>		
Australian Dollar	20,133,152	20,358,308
Canadian Dollar	60,089,238	69,215,277
Swiss Franc	5,972,349	11,116,544
Danish Krone	1,653,940	2,882,348
Euro	65,764,184	53,424,740
UK Pound	75,524,018	65,577,730
Hong Kong Dollar	46,036,526	19,615,350
Japanese Yen	111,073,706	206,666,761
Norwegian Kroner	8,164,663	12,831,753
Philippines Peso	1,044,958	-
Swedish Krona	6,003,026	10,007,981
Singapore Dollar	13,782,791	3,980,715
Thai Baht	1,654,342	-
Total Foreign Common Stock	416,896,893	475,677,507
<b>Other Equity Securities:</b>		
Canadian Dollar	67	-
<b>Foreign Government and Provincial Obligations:</b>		
Australian Dollar	12,866,053	-
Brazilian Real	7,248,239	-
Canadian Dollar	12,257,536	120,883
Danish Krone	-	2,542,823
Euro	63,104,138	76,931,363
UK Pound	19,076,263	1,050,278
Indian Rupee	3,894,801	-
Japanese Yen	56,672,541	4,755,034
Mexican Peso	8,310,458	-
Malaysian Ringgit	10,927,314	-
New Zealand Dollar	6,344,747	-
Polish Zloty	12,778,326	3,346,927
Swedish Krona	4,207,054	-
Singapore Dollar	3,481,642	-
South African Rand	7,068,136	-
Total Foreign Government and Provincial Obligations	228,237,248	88,747,308
<b>Corporate Obligations:</b>		
Australian Dollar	5,474,202	-
Canadian Dollar	470,495	-
Danish Krone	20,131,057	2,243,330
Euro	37,543,304	22,454,445
UK Pound	4,087,261	5,008,915
Hong Kong Dollar	802,090	-
Iceland Krona	3,194,160	-
Japanese Yen	5,063,740	6,803,173
Total Corporate Obligations	76,766,309	36,509,863
<b>Other - Debt Securities</b>		
Hong Kong Dollar	2,300,595	-
<b>Purchased Options:</b>		
Euro	90,792	326,615
UK Pound	-	43,609
Total Purchased Options	90,792	370,224
<b>Private Investments:</b>		
Euro	231,790,095	175,111,377
UK Pound	1,681,677	2,309,163
Total Private Investments	233,471,772	177,420,540
<b>Cash and Cash Equivalents:</b>		
Australian Dollar	364,854	235,312
Canadian Dollar	1,135,281	2,290,035
Swiss Franc	466,331	537,192
Danish Krone	133,441	68,227
Euro	944,828	5,679,433
UK Pound	991,272	2,315,003
Hong Kong Dollar	643,166	19,663
Japanese Yen	1,125,426	8,309,661
Mexican Peso	7,054	12,168
Norwegian Kroner	3,008	346,996
New Zealand Dollar	973	340,418
Polish Zloty	4,150	170,193
Swedish Krona	2,840	391,749
Singapore Dollar	272,952	202,291
Taiwan Dollar	1,038,442	991,275
Total Cash and Cash Equivalents	7,134,018	21,909,616
Total	\$ 964,988,463	\$ 800,793,374

## PERMANENT UNIVERSITY FUND

Notes to Detail Schedules of Investment Securities (cont.)

### Note 4 – Securities Lending

In accordance with the prudent investor investment standards, the PUF loans securities to certain brokers who pay the PUF negotiated lenders' fees. These fees are included in investment income and the related expenses are included in investment expenses. The PUF 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, 2008 and 2007:

Securities on Loan	2008 Value	2007 Value	Type of Collateral	2008 Value of Collateral	2007 Value of Collateral
U.S. Government	\$ 135,816,556	\$ 380,790,711	Cash	\$139,047,861	\$384,930,544
Foreign Government	5,088,932	-	Cash	5,411,957	-
Corporate Bonds	1,389,004	10,108,565	Cash	1,425,000	10,377,087
Common Stock	259,184,337	309,048,328	Cash	271,798,333	322,109,503
<b>Total</b>	<b>\$401,478,829</b>	<b>\$699,947,604</b>	<b>Total</b>	<b>\$417,683,151</b>	<b>\$717,417,134</b>
Common Stock	\$ 2,879,795	\$ 7,138,093	Non-Cash	\$ 2,992,927	\$ 7,252,103
Corporate Bonds	-	206,185	Non-Cash	-	209,478
U.S. Government	5,962,691	89,137,329	Non-Cash	6,196,935	90,718,507
<b>Total</b>	<b>\$ 8,842,486</b>	<b>\$ 96,481,607</b>	<b>Total</b>	<b>\$ 9,189,862</b>	<b>\$ 98,180,088</b>

Cash received as collateral for securities lending activities is invested and reinvested in a commingled pool managed exclusively for the benefit of the PUF, the General Endowment Fund (GEF), the Intermediate Term Fund and other UT Board accounts that participate in securities lending activities by the securities lending agent. The pool is managed in accordance with investment guidelines established in the securities lending contract between the PUF 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 for interest on the cash collateral received. The income remaining after the borrower rebates is then shared by the PUF and the securities 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 is made from the PUF and the securities lending agent in the same proportion as income is shared.

The PUF's pro-rata share of collateral pool investments, rating by NRSRO, and weighted average maturity at August 31, 2008 and 2007 is shown in the following table:

**PERMANENT UNIVERSITY FUND**  
*Notes to Detail Schedules of Investment Securities (cont.)*

Description	August 31,					
	2008			2007		
	Fair Value	Rating	Weighted Average Maturity In Days	Fair Value	Rating	Weighted Average Maturity In Days
		No Rating			No Rating	
Repurchase Agreements	\$ 189,577,541	Available	2	\$ 233,339,724	Available	4
Commercial Paper	176,167,708	P	23	196,744,787	P	38
Floating Rate Notes	10,611,144	AAA		51,665,268	AAA	
Floating Rate Notes	31,725,221	AA		146,930,993	AA	
Total Floating Rate Notes	42,336,365		9	198,596,261		13
Fixed Rate Notes	3,521,866	AAA	13	2,287,392	AAA	105
Certificates of Deposit	9,505,358	P	36	-	-	-
Asset Backed Securities	-	-	-	87,658,787	AAA	-
Asset Backed Securities	-	-	-	915,994	P	-
Total Asset Backed Securities	-	-	-	88,574,781	-	32
Other Receivables/Payables	(3,425,687)	Not Rated	-	(2,125,811)	Not Rated	-
Total Collateral Pool Investment	\$ 417,683,151		13	\$ 717,417,134		20

Collateral pool investments are uninsured, and are held by the PUF's securities lending agent, in its name, on behalf of the PUF, 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 PUF 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 PUF 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 PUF from any loss due to borrower default.

As of August 31, 2008 and 2007, the PUF had no credit risk exposure to borrowers because the amounts the PUF owed to borrowers exceeded the amounts the borrowers owed the PUF.

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 years ended August 31, 2008 and 2007.

**Note 5 – Investment Funds**

Investment funds include exchange traded funds, index funds, Securities and Exchange Commission regulated mutual funds and externally managed funds, limited partnerships, and corporate structures which are generally unrated and may be unregulated.

The PUF invests in hedge funds through unit interests in investment pools established in the name of the UT Board. Amounts presented in the PUF financial statements and related note disclosures

## PERMANENT UNIVERSITY FUND

*Notes to Detail Schedules of Investment Securities (cont.)*

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represent the PUF's pro-rata share of these investment pool assets. The hedge fund pools 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. The hedge fund pool has committed \$378,188,933 of future funding to various hedge fund investments as of August 31, 2008 of which the PUF's pro-rata portion is \$213,265,139.

Certain of the hedge fund pool's investments are held through limited liability companies (LLCs), of which UTIMCO is the sole managing member. These investments are managed by an external investment manager under a management agreement between the LLC and the external manager. The external manager employs an investment strategy utilizing leveraged commodity futures and options. As of August 31, 2008, the PUF's pro-rata share of these investments included \$27,183,602 of cash and cash equivalents, options on commodity futures with a fair value of \$11,918, net of liabilities for margin in the amount of \$670,232 related to the outstanding futures contracts.

Effective January 1, 2008, the PUF's private investments were combined with those of the GEF in investment pools created in the name of the UT Board, and are now held through unit interests in those pools. Upon creation of the pools, the PUF and GEF received units in exchange for the fair value of their respective private investments as of the date of the formation of the pool. Amounts presented in the PUF financial statements and related note disclosure for the period ending August 31, 2008, represent the PUF's pro-rata share of these investment pool assets. The private investment pools are invested in limited partnerships with external investment managers or general partners who invest primarily in private equity securities. These investments are domestic and international, are illiquid and may not be realized for a period of several years after the investments are made. There are certain risks associated with these investments, some of which are liquidity risk, market risk, event risk, and investment manager risk. Certain of these investments are held through LLCs, of which UTIMCO is the sole managing member. The private investment pool has committed \$2,909,326,821 of future funding to various private market investments as of August 31, 2008 of which the PUF's pro-rata portion is \$1,865,378,266.

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 PUF. 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.

Hedge funds, private market, 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:

## PERMANENT UNIVERSITY FUND

*Notes to Detail Schedules of Investment Securities (cont.)*

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- *Non-regulation risk* -- Some of the PUF's general partners and investment managers are not registered with the Securities and Exchange Commission or other domestic or international regulators, 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 PUF's investment funds may impose lockup periods which would cause the PUF to incur penalties to redeem its units or prevent the PUF 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 – Subsequent Events**

Subsequent to August 31, 2008, the U.S. and international financial markets experienced significant volatility. This resulted in substantial declines in equity, fixed income and commodities markets in which the PUF invests directly, and indirectly, through its investments in various hedge funds, private investments and public markets. The financial results of the PUF are impacted by market volatility and, therefore, the PUF was negatively impacted as a result of these market conditions.