


 OWNERSHIP OF LONG TERM FUND

August 31, 2008	Accounts	(in millions) Value
UT System Administration	100	\$ 22
Benefit of Multiple Institutions	4	6
UT Arlington	337	60
UT Austin	4,144	2,488
UT Dallas	152	192
UT El Paso	507	115
UT Pan American	82	27
UT Brownsville	84	7
UT Permian Basin	92	16
UT San Antonio	276	51
UT Tyler	187	64
UT Southwestern Medical Center at Dallas	449	749
UT Medical Branch at Galveston	628	417
UT Health Science Center at Houston	360	130
UT Health Science Center at San Antonio	300	156
UT M. D. Anderson Cancer Center	364	437
UT Health Science Center at Tyler	40	10
Other Accounts	396	338
<b>Total</b>	<b>8,502</b>	<b>\$ 5,285</b>

 FIG. A FINANCIAL HIGHLIGHTS

Years Ended August 31,	2004	2005	2006	2007	(in millions) 2008
Beginning Net Asset Value	\$ 2,840	\$ 3,393	\$ 4,001	\$ 4,441	\$ 5,333
Contributions (Net of Withdrawals)	276	141	172	363	355
Net Investment Return	435	635	448	728	(186)
Distributions (Payout)	(158)	(168)	(180)	(199)	(217)
<b>Ending Net Asset Value</b>	<b>\$ 3,393</b>	<b>\$ 4,001</b>	<b>\$ 4,441</b>	<b>\$ 5,333</b>	<b>\$ 5,285</b>



FIG. B

LONG TERM FUND GROWTH 1983-2008

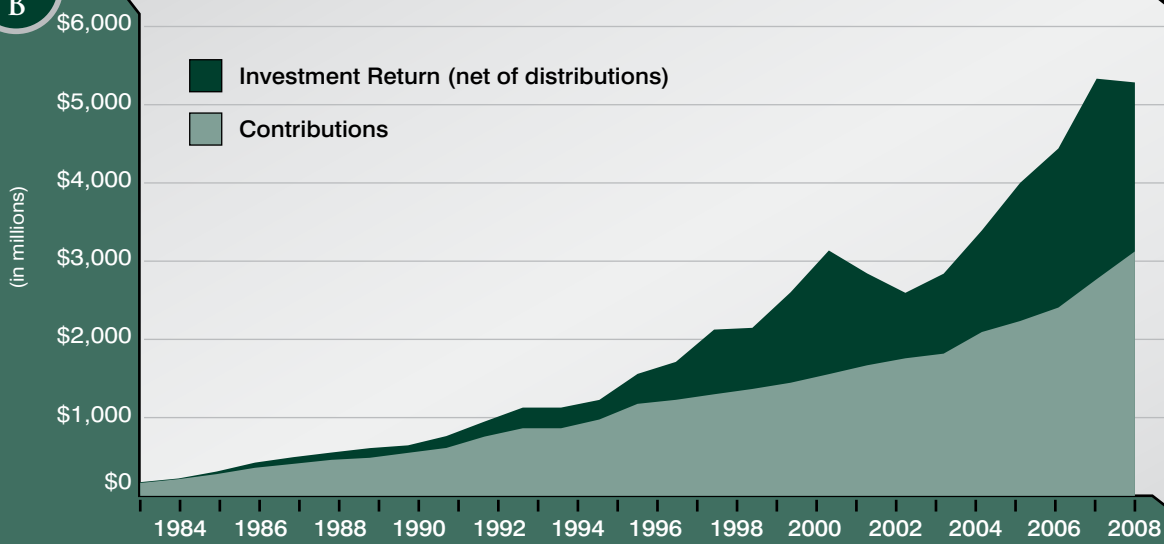


FIG. C

ASSET ALLOCATION

Asset Class	Actual as of August 31, 2008	Target
Investment Grade Fixed Income	9.4%	8.5%
Credit-Related Fixed Income	0.0%	1.5%
Real Estate	5.7%	5.5%
Natural Resources	5.1%	5.0%
Developed Country Equity	18.7%	22.0%
Emerging Markets Equity	9.7%	11.0%
Hedge Funds	32.5%	33.0%
Private Investments	18.9%	13.5%
<b>Total</b>	<b>100%</b>	<b>100%</b>




**FIG. D** BENCHMARK COMPARISON

Asset Class	Actual Net Investment Return	Benchmark Return	Benchmark <sup>1</sup>
Investment Grade Fixed Income <sup>2</sup>	5.3%	5.1%	Lehman Brothers Global Aggregate Bond Index
Credit-Related Fixed Income <sup>3</sup>	N/A	N/A	Lehman Brothers Global High-Yield
Real Estate <sup>4</sup>	-17.8%	-22.1%	FTSE European Real Estate Association (EPRA)\ National Association of Real Estate Investment Trusts (NAREIT) Global Index
Natural Resources <sup>5</sup>	23.2%	20.1%	Dow Jones-AIG Commodity Index Total Return
Developed Country Equity <sup>6</sup>	-14.8%	-13.3%	Morgan Stanley Capital International World Index with net dividends
Emerging Markets Equity	-9.8%	-10.1%	Morgan Stanley Capital International Emerging Markets Index with net dividends
Hedge Funds	1.5%	-5.9%	Morgan Stanley Capital International Investable Hedge Fund Index
Private Investments	3.7%	9.2%	Venture Economics Custom Index
<b>Total</b>	<b>-3.1%</b>	<b>-5.2%</b>	

(1) During the year changes were made to the GEF's investment policy, asset class target allocations and asset class benchmarks. The new policy, target allocations and benchmarks were effective March 1, 2008. The benchmarks shown above are those that were effective from March 1, 2008.

For asset classes with changes to their benchmarks, the benchmarks that were effective from September 1, 2007 to February 29, 2008 are as follows:

(2) 66.7% Lehman Brothers Aggregate Bond Index plus 33.3% Lehman Brothers U.S. TIPS Index

(3) Not a separate asset class prior to March 1, 2008

(4) Dow Jones Wilshire Real Estate Security (Float) Index

(5) 66.7% Goldman Sachs Commodity Index minus 50 basis points plus 33.3% Dow Jones AIG Commodity Index

(6) 66.7% Russell 3000 Index plus 33.3% Morgan Stanley Capital International EAFE Index with net dividends

**FIG. E** CHANGE IN PURCHASING POWER

Annual Average	For the periods ended August 31, 2008		
	One Year	Five Years	Ten Years
Net Total Return	(3.13%)	11.11%	9.07%
Less:			
Inflation Rate	5.37%	3.48%	2.98%
Distribution Rate	3.99%	4.38%	4.51%
<b>Change in Purchasing Power</b>	<b>(12.49%)</b>	<b>3.25%</b>	<b>1.58%</b>

**FIG. F** RATIO OF EXPENSES TO AVERAGE NET ASSETS

	2004	2005	2006	2007	2008
UTIMCO Management	0.09%	0.06%	0.05%	0.08%	0.08%
External Investment Managers <sup>1</sup>	0.20%	0.18%	0.30%	0.16%	0.11%
Other Service Providers Fees	0.04%	0.08%	0.04%	0.04%	0.07%
Total Investment Fees and Expenses	0.33%	0.32%	0.39%	0.28%	0.26%
UT System Administrative Fees	0.09%	0.10%	0.08%	0.08%	0.19%
<b>Total</b>	<b>0.42%</b>	<b>0.42%</b>	<b>0.47%</b>	<b>0.36%</b>	<b>0.45%</b>

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