

# I. PERMANENT UNIVERSITY FUND

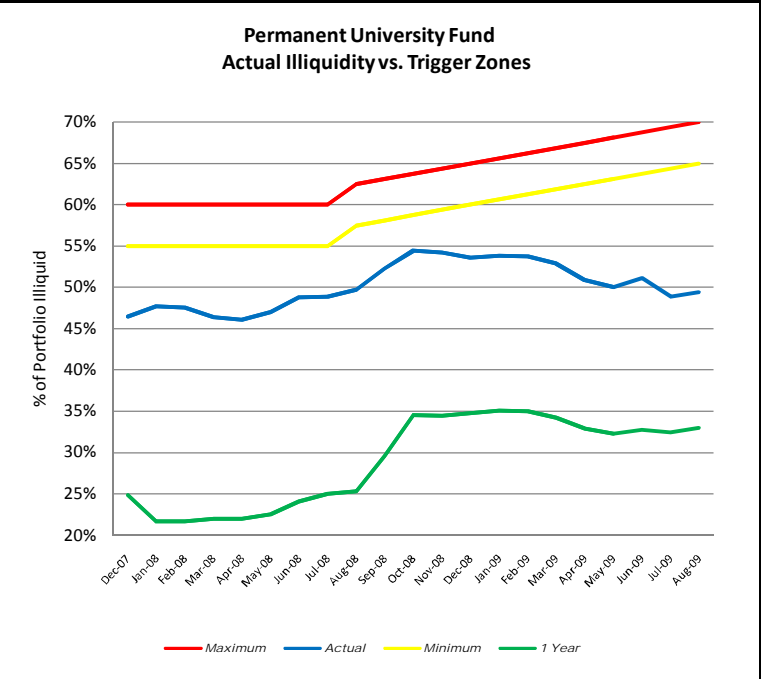
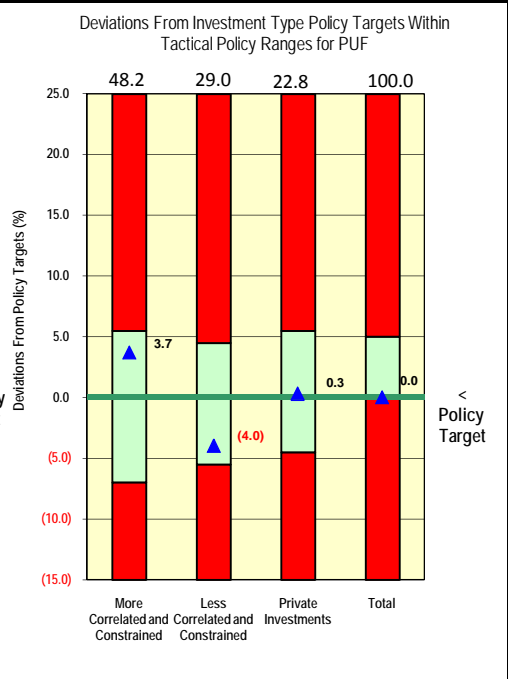
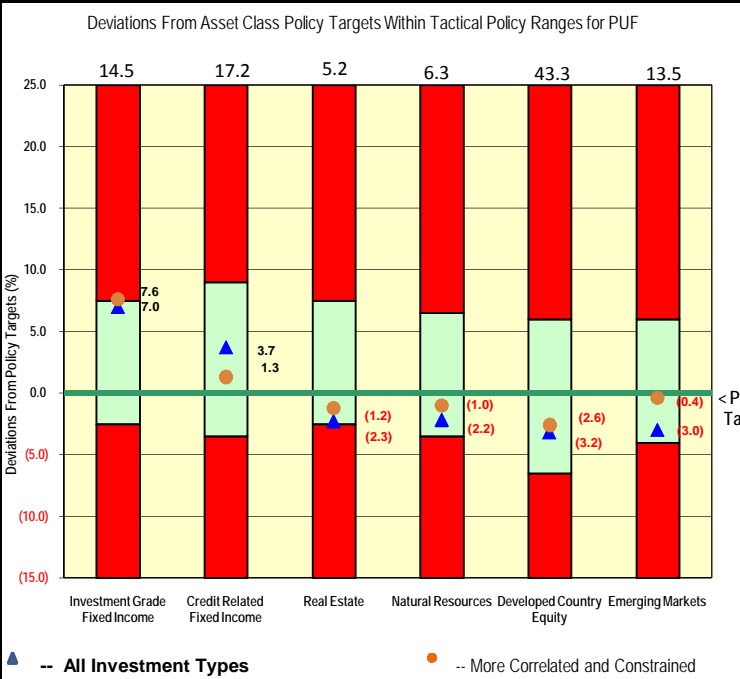
## Investment Reports for Periods Ended August 31, 2009

Prepared in accordance with Texas Education Code Sec. 51.0032

### Summary of Capital Flows

(\$ millions)	Fiscal Year Ended August 31, 2008	Quarter Ended August 31, 2009	Fiscal Year Ended August 31, 2009
Beginning Net Assets	\$ 11,742.8	\$ 9,143.8	\$ 11,359.5
PUF Lands Receipts	457.7	54.4	340.0
Investment Return (Net of Expenses)	(392.1)	608.4	(1,494.7)
Distributions to AUF	(448.9)	(132.7)	(530.9)
Ending Net Assets	<u>\$ 11,359.5</u>	<u>\$ 9,673.9</u>	<u>\$ 9,673.9</u>

	Fiscal Year to Date				
	Returns		Value Added		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
<b>More Correlated and Constrained:</b>					
Investment Grade	5.31%	8.52%	0.62%	-0.25%	0.37%
Credit-Related	4.83%	7.02%	-0.15%	0.04%	-0.11%
Real Estate	-19.54%	-23.06%	-0.26%	0.25%	-0.01%
Natural Resources	-34.22%	-29.47%	0.00%	-0.23%	-0.23%
Developed Country	-20.41%	-17.21%	0.34%	-0.69%	-0.35%
Emerging Markets	-18.36%	-9.95%	0.14%	-0.92%	-0.78%
<b>Total More Correlated and Constrained</b>	<b>-15.19%</b>	<b>-12.07%</b>	<b>0.69%</b>	<b>-1.80%</b>	<b>-1.11%</b>
<b>Less Correlated and Constrained</b>	<b>-7.92%</b>	<b>-13.42%</b>	<b>0.11%</b>	<b>1.58%</b>	<b>1.69%</b>
<b>Private Investments</b>	<b>-15.00%</b>	<b>-22.27%</b>	<b>0.09%</b>	<b>1.77%</b>	<b>1.86%</b>
<b>Total</b>	<b>-12.98%</b>	<b>-15.42%</b>	<b>0.89%</b>	<b>1.55%</b>	<b>2.44%</b>

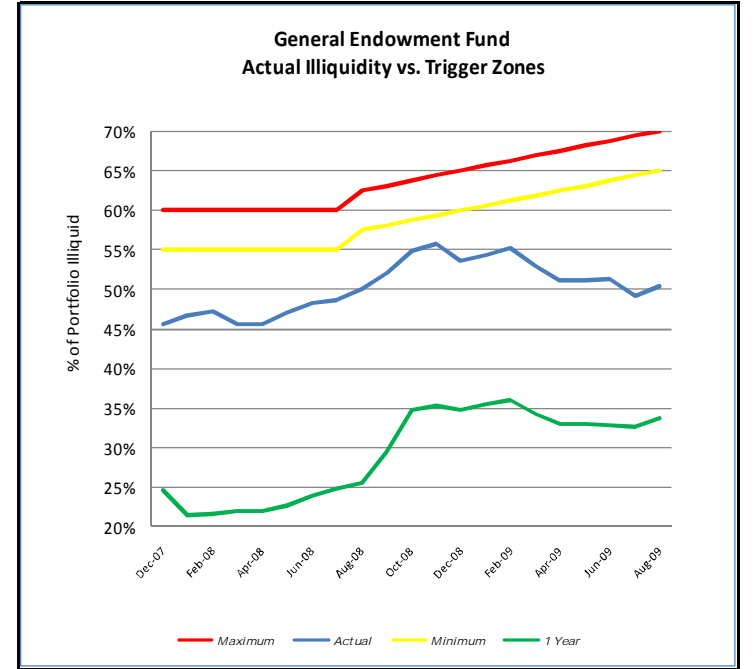
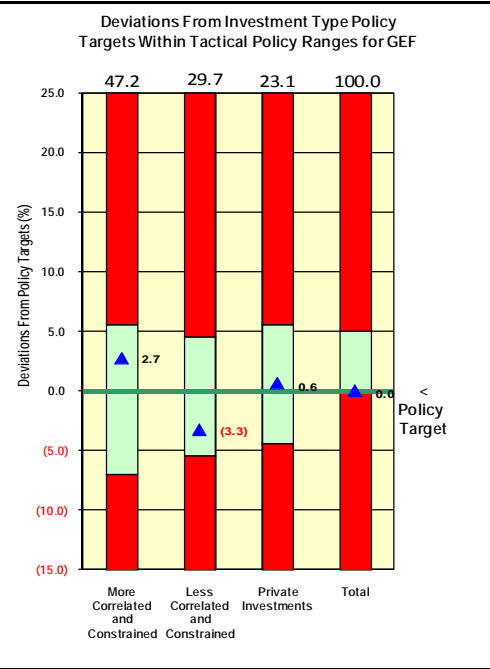
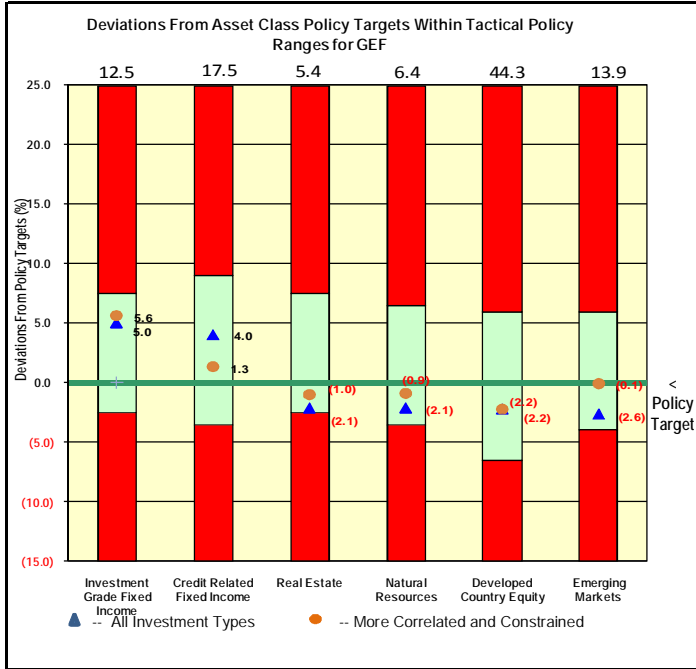


## II. GENERAL ENDOWMENT FUND Investment Reports for Periods Ended August 31, 2009

Prepared in accordance with *Texas Education Code Sec. 51.0032*

<u>Summary of Capital Flows</u>			
(\$ millions)	Fiscal Year Ended August 31, 2008	Quarter Ended August 31, 2009	Fiscal Year Ended August 31, 2009
Beginning Net Assets	\$ 6,433	\$ 5,066	\$ 6,310
Contributions	358	24	185
Withdrawals	(20)	(5)	(11)
Distributions	(259)	(71)	(279)
Investment Return (Net of Expenses)	(202)	345	(846)
Ending Net Assets	<u>\$ 6,310</u>	<u>\$ 5,359</u>	<u>\$ 5,359</u>

	Returns		Fiscal Year to Date		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
<b>More Correlated and Constrained:</b>					
Investment Grade	5.32%	8.52%	0.45%	-0.25%	0.20%
Credit-Related	4.69%	7.02%	-0.16%	0.04%	-0.12%
Real Estate	-19.68%	-23.06%	-0.26%	0.23%	-0.03%
Natural Resources	-33.40%	-29.47%	0.00%	-0.18%	-0.18%
Developed Country	-20.85%	-17.21%	0.32%	-0.78%	-0.46%
Emerging Markets	-18.32%	-9.95%	0.10%	-0.90%	-0.80%
<b>Total More Correlated and Constrained</b>	<b>-15.86%</b>	<b>-12.07%</b>	<b>0.45%</b>	<b>-1.84%</b>	<b>-1.39%</b>
<b>Less Correlated and Constrained</b>	<b>-7.92%</b>	<b>-13.42%</b>	<b>0.15%</b>	<b>1.56%</b>	<b>1.71%</b>
<b>Private Investments</b>	<b>-14.97%</b>	<b>-22.27%</b>	<b>0.09%</b>	<b>1.79%</b>	<b>1.88%</b>
<b>Total</b>	<b>-13.22%</b>	<b>-15.42%</b>	<b>0.69%</b>	<b>1.51%</b>	<b>2.20%</b>

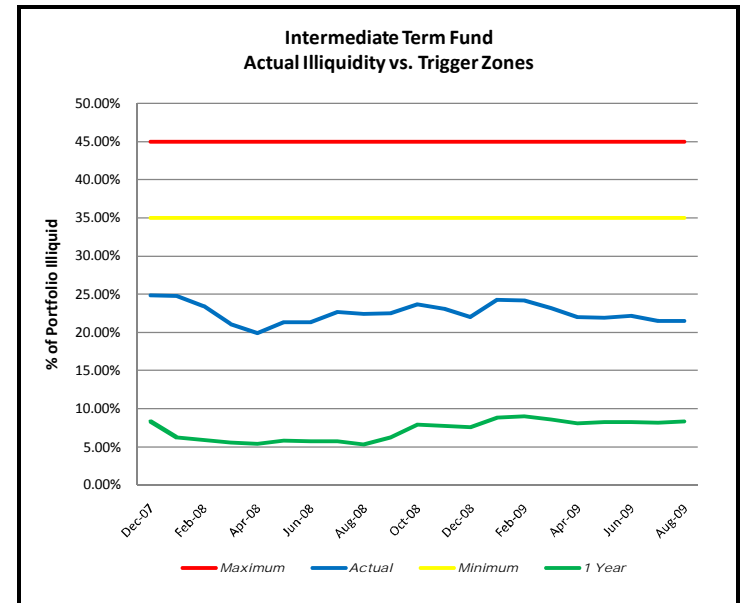
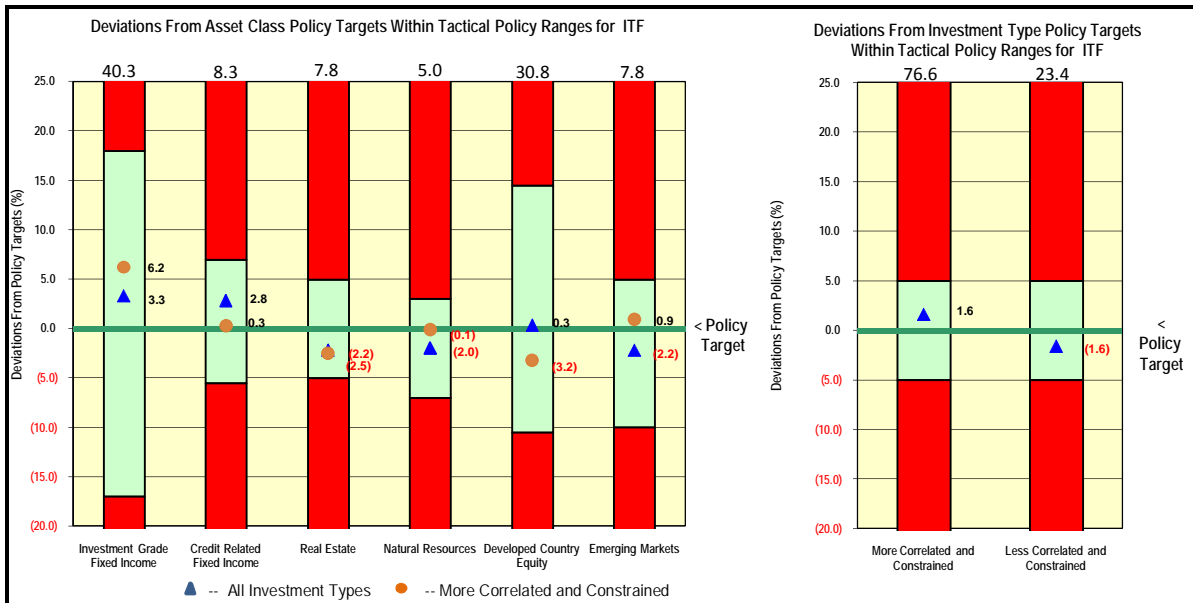


### III. INTERMEDIATE TERM FUND Investment Reports for Periods Ended August 31, 2009

Prepared in accordance with Texas Education Code Sec. 51.0032

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended August 31, 2008	Quarter Ended August 31, 2009	Fiscal Year Ended August 31, 2009
Beginning Net Assets	\$ 3,721	\$ 3,365	\$ 3,875
Contributions	1,639	13	251
Withdrawals	(1,335)	(20)	(178)
Distributions	(119)	(26)	(98)
Investment Return (Net of Expenses)	(31)	240	(278)
Ending Net Assets	\$ 3,875	\$ 3,572	3,572

	Returns		Fiscal Year to Date		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
<b>More Correlated and Constrained:</b>					
Investment Grade	7.00%	8.52%	0.26%	-0.56%	-0.30%
Credit-Related	3.55%	7.02%	-0.28%	-0.01%	-0.29%
Real Estate	-19.56%	-23.06%	-0.54%	0.43%	-0.11%
Natural Resources	-30.35%	-29.47%	0.05%	0.00%	0.05%
Developed Country	-16.02%	-17.21%	-0.16%	0.21%	0.05%
Emerging Markets	-18.78%	-9.95%	0.19%	-0.50%	-0.31%
<b>Total More Correlated and Constrained</b>	<b>-6.96%</b>	<b>-5.89%</b>	<b>-0.48%</b>	<b>-0.43%</b>	<b>-0.91%</b>
<b>Less Correlated and Constrained</b>	<b>-7.97%</b>	<b>-13.42%</b>	<b>0.03%</b>	<b>1.37%</b>	<b>1.40%</b>
<b>Private Investments</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total</b>	<b>-7.07%</b>	<b>-7.56%</b>	<b>-0.45%</b>	<b>0.94%</b>	<b>0.49%</b>



**IV. SEPARATELY INVESTED ASSETS**  
**Summary Investment Report at August 31, 2009**  
 Report prepared in accordance with *Texas Education Code Sec. 51.0032*

ASSET TYPES	(\$ thousands)															
	FUND TYPE															
	CURRENT PURPOSE DESIGNATED		RESTRICTED		ENDOWMENT & SIMILAR FUNDS		ANNUITY & LIFE INCOME FUNDS		AGENCY FUNDS		TOTAL EXCLUDING OPERATING FUNDS		OPERATING FUNDS (SHORT TERM FUND)		TOTAL	
BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	BOOK	MARKET	
<b>Cash &amp; Equivalents:</b>																
Beginning value 05/31/09	11	11	1,763	1,763	24,914	24,914	1,241	1,241	2,296	2,296	30,225	30,225	1,497,582	1,497,582	1,527,807	1,527,807
Increase/(Decrease)	(11)	(11)	8,932	8,932	21,913	21,913	(80)	(80)	(288)	(288)	30,466	30,466	289,825	289,825	320,291	320,291
Ending value 08/31/09	-	-	10,695	10,695	46,827	46,827	1,161	1,161	2,008	2,008	60,691	60,691	1,787,407	1,787,407	1,848,098	1,848,098
<b>Debt Securities:</b>																
Beginning value 05/31/09	-	-	265	261	12,420	13,233	15,806	15,646	-	-	28,491	29,140	-	-	28,491	29,140
Increase/(Decrease)	-	-	-	1	63	329	(4,979)	(4,628)	-	-	(4,916)	(4,298)	-	-	(4,916)	(4,298)
Ending value 08/31/09	-	-	265	262	12,483	13,562	10,827	11,018	-	-	23,575	24,842	-	-	23,575	24,842
<b>Equity Securities:</b>																
Beginning value 05/31/09	17	2,972	1,499	1,482	26,468	21,656	18,879	14,373	-	-	46,863	40,483	-	-	46,863	40,483
Increase/(Decrease)	-	(1,229)	(1,166)	(1,181)	884	3,047	(5,012)	(3,050)	-	-	(5,294)	(2,413)	-	-	(5,294)	(2,413)
Ending value 08/31/09	17	1,743	333	301	27,352	24,703	13,867	11,323	-	-	41,569	38,070	-	-	41,569	38,070
<b>Other:</b>																
Beginning value 05/31/09	-	-	178	178	1,655	1,655	337	134	2,010	2,010	4,180	3,977	-	-	4,180	3,977
Increase/(Decrease)	-	-	3,035	3,035	(1,650)	(1,650)	16	-	(884)	(884)	517	501	-	-	517	501
Ending value 08/31/09	-	-	3,213	3,213	5	5	353	134	1,126	1,126	4,697	4,478	-	-	4,697	4,478
<b>Total Assets:</b>																
Beginning value 05/31/09	28	2,983	3,705	3,684	65,457	61,458	36,263	31,394	4,306	4,306	109,759	103,825	1,497,582	1,497,582	1,607,341	1,601,407
Increase/(Decrease)	(11)	(1,240)	10,801	10,787	21,210	23,639	(10,055)	(7,758)	(1,172)	(1,172)	20,773	24,256	289,825	289,825	310,598	314,081
Ending value 08/31/09	17	1,743	14,506	14,471	86,667	85,097	26,208	23,636	3,134	3,134	130,532	128,081	1,787,407	1,787,407	1,917,939	1,915,488

Details of individual assets by account furnished upon request.