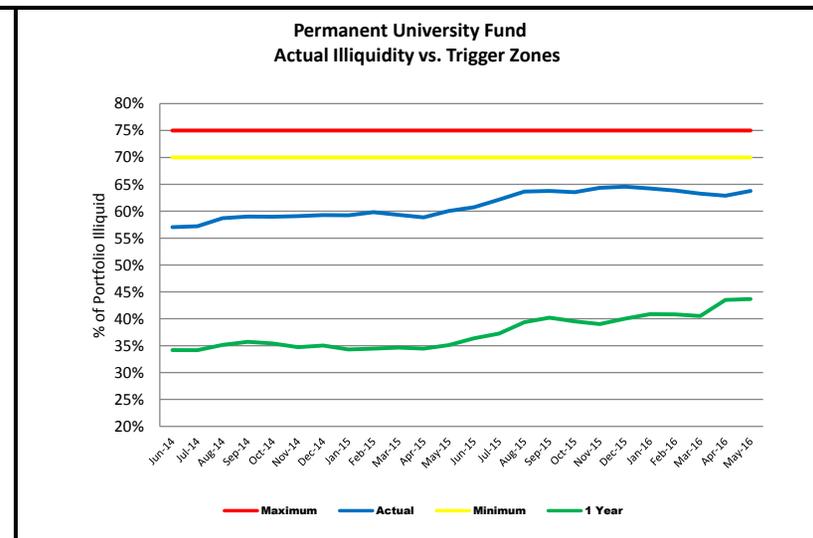


**I. PERMANENT UNIVERSITY FUND**  
**Investment Reports for Periods Ended May 31, 2016**

Prepared in accordance with Texas Education Code Sec. 51.0032

	Fiscal Year to Date						
	Asset Allocation		Returns		Value Added		
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management	Total
<b>More Correlated and Constrained:</b>							
Investment Grade	7.76%	6.50%	1.58%	5.42%	-0.03%	-0.24%	-0.27%
Credit-Related	0.10%	0.00%	7.43%	4.43%	0.00%	0.00%	0.00%
Real Estate	2.26%	2.50%	1.77%	10.72%	-0.03%	-0.21%	-0.24%
Natural Resources	6.11%	7.50%	-0.81%	1.64%	-0.09%	-0.13%	-0.22%
Developed Country	12.60%	14.00%	-2.35%	3.43%	-0.02%	-0.79%	-0.81%
Emerging Markets	<u>9.04%</u>	<u>9.50%</u>	<u>3.75%</u>	<u>-0.10%</u>	<u>-0.06%</u>	<u>0.34%</u>	<u>0.28%</u>
<b>Total More Correlated and Constrained</b>	<b>37.87%</b>	<b>40.00%</b>	<b>0.20%</b>	<b>3.26%</b>	<b>-0.23%</b>	<b>-1.03%</b>	<b>-1.26%</b>
<b>Less Correlated and Constrained</b>	<b>27.73%</b>	<b>29.00%</b>	<b>-2.27%</b>	<b>-3.04%</b>	<b>-0.07%</b>	<b>0.34%</b>	<b>0.27%</b>
<b>Private Investments</b>	<b><u>34.40%</u></b>	<b><u>31.00%</u></b>	<b><u>1.35%</u></b>	<b><u>3.34%</u></b>	<b><u>-0.07%</u></b>	<b><u>-0.57%</u></b>	<b><u>-0.64%</u></b>
<b>Total</b>	<b><u>100.00%</u></b>	<b><u>100.00%</u></b>	<b><u>-0.10%</u></b>	<b><u>1.53%</u></b>	<b><u>-0.37%</u></b>	<b><u>-1.26%</u></b>	<b><u>-1.63%</u></b>

	Summary of Capital Flows		
(\$ millions)	Fiscal Year Ended August 31, 2015	Quarter Ended May 31, 2016	Fiscal Year to Date August 31, 2016
Beginning Net Assets	\$17,365	\$16,978	\$17,490
PUF Lands Receipts	807	103	362
Investment Return (Net of Expenses)	82	738	(33)
Distributions to AUF	(764)	(387)	(387)
Ending Net Assets	<u>\$17,490</u>	<u>\$17,432</u>	<u>\$17,432</u>

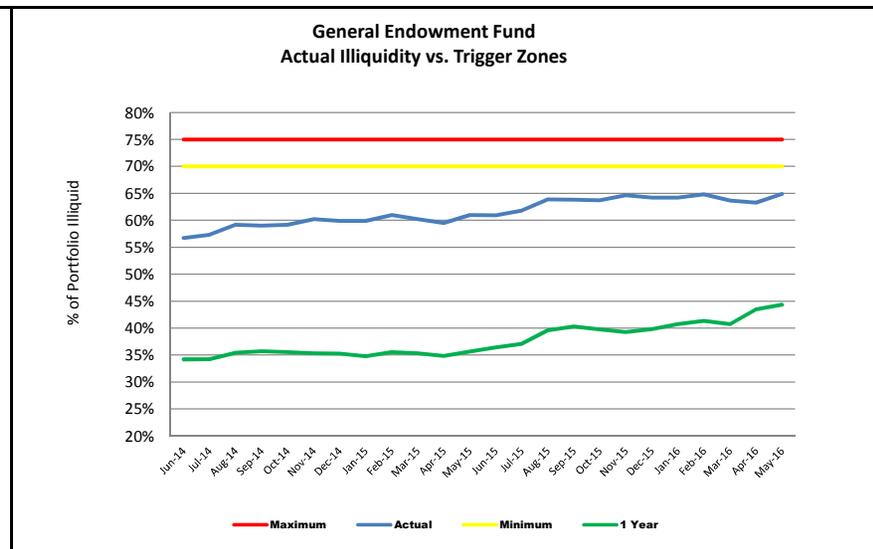


**II. GENERAL ENDOWMENT FUND**  
**Investment Reports for Periods Ended May 31, 2016**

Prepared in accordance with Texas Education Code Sec. 51.0032

	Fiscal Year to Date							
	Asset Allocation		Returns		Value Added			
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management	Total	
<b>More Correlated and Constrained:</b>								
Investment Grade	6.2%	6.5%	2.81%	5.42%	0.01%	-0.16%	-0.15%	
Credit-Related	0.1%	0.0%	7.43%	4.43%	0.00%	0.00%	0.00%	
Real Estate	2.3%	2.5%	1.81%	10.72%	-0.01%	-0.21%	-0.22%	
Natural Resources	6.1%	7.5%	-0.78%	1.64%	-0.09%	-0.14%	-0.23%	
Developed Country	12.8%	14.0%	-2.16%	3.43%	-0.05%	-0.74%	-0.79%	
Emerging Markets	<u>9.4%</u>	<u>9.5%</u>	<u>2.84%</u>	<u>-0.10%</u>	<u>-0.04%</u>	<u>0.24%</u>	<u>0.20%</u>	
<b>Total More Correlated and Constrained</b>	<b>36.9%</b>	<b>40.0%</b>	<b>0.33%</b>	<b>3.26%</b>	<b>-0.18%</b>	<b>-1.01%</b>	<b>-1.19%</b>	
<b>Less Correlated and Constrained</b>	<b>28.1%</b>	<b>29.0%</b>	<b>-2.27%</b>	<b>-3.04%</b>	<b>-0.08%</b>	<b>0.32%</b>	<b>0.24%</b>	
<b>Private Investments</b>	<b><u>35.0%</u></b>	<b><u>31.0%</u></b>	<b><u>1.34%</u></b>	<b><u>3.34%</u></b>	<b><u>-0.08%</u></b>	<b><u>-0.58%</u></b>	<b><u>-0.66%</u></b>	
<b>Total</b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>	<b><u>-0.08%</u></b>	<b><u>1.53%</u></b>	<b><u>-0.34%</u></b>	<b><u>-1.27%</u></b>	<b><u>-1.61%</u></b>	

(\$ millions)	Summary of Capital Flows		
	Fiscal Year Ended August 31, 2015	Quarter Ended May 31, 2016	Fiscal Year to Date August 31, 2016
Beginning Net Assets	\$8,325	\$7,820	\$8,237
Contributions	230	125	275
Withdrawals	(43)	(5)	(9)
Distributions	(366)	(104)	(307)
Investment Return (Net of Expenses)	<u>91</u>	<u>356</u>	<u>(4)</u>
Ending Net Assets	<u>\$8,237</u>	<u>\$8,192</u>	<u>\$8,192</u>

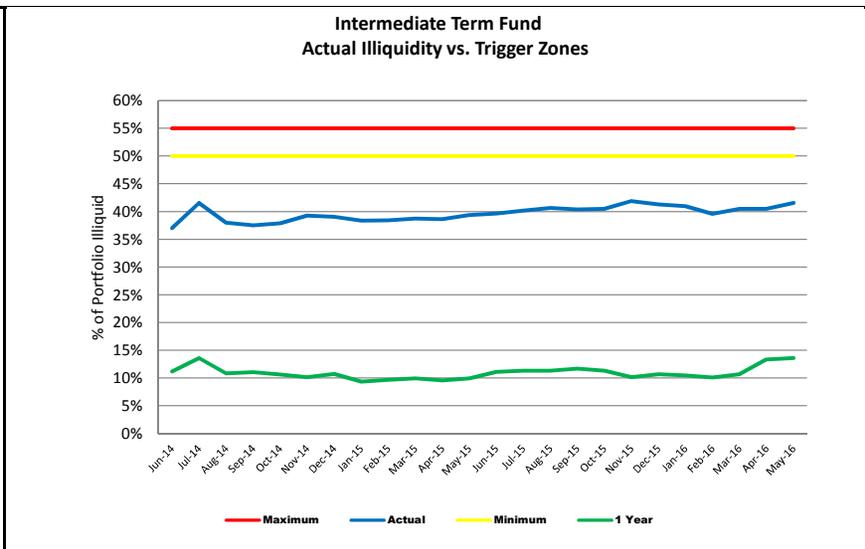


**III. INTERMEDIATE TERM FUND**  
**Investment Reports for Periods Ended May 31, 2016**

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

	Fiscal Year to Date							
	Asset Allocation		Returns		Value Added			Total
	Actual	Policy	Portfolio	Policy Benchmark	Tactical Allocation	Active Management		
<b>More Correlated and Constrained:</b>								
Investment Grade	30.0%	30.0%	3.69%	5.42%	0.06%	-0.52%	-0.46%	
Credit-Related	0.0%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Real Estate	2.6%	3.0%	1.85%	10.72%	0.00%	-0.23%	-0.23%	
Natural Resources	5.3%	7.0%	-0.75%	1.64%	-0.09%	-0.14%	-0.23%	
Developed Country	9.5%	9.0%	-2.23%	3.43%	0.03%	-0.52%	-0.49%	
Emerging Markets	<u>6.3%</u>	<u>6.0%</u>	<u>3.04%</u>	<u>-0.10%</u>	<u>0.01%</u>	<u>0.16%</u>	<u>0.17%</u>	
<b>Total More Correlated and Constrained</b>	<b>53.7%</b>	<b>55.0%</b>	<b>2.24%</b>	<b>4.54%</b>	<b>0.01%</b>	<b>-1.25%</b>	<b>-1.24%</b>	
<b>Less Correlated and Constrained</b>	<b>46.3%</b>	<b>45.0%</b>	<b>-2.30%</b>	<b>-3.04%</b>	<b>-0.25%</b>	<b>0.55%</b>	<b>0.30%</b>	
<b>Private Investments</b>	<b>0.0%</b>	<b>0.0%</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><u>100.0%</u></b>	<b><u>100.0%</u></b>	<b><u>0.18%</u></b>	<b><u>1.12%</u></b>	<b><u>-0.24%</u></b>	<b><u>-0.70%</u></b>	<b><u>-0.94%</u></b>	

	Summary of Capital Flows		
(\$ millions)	Fiscal Year Ended August 31, 2015	Quarter Ended May 31, 2016	Fiscal Year to Date August 31, 2016
Beginning Net Assets	\$6,665	\$7,134	\$7,037
Contributions	1,448	126	833
Withdrawals	(627)	(35)	(231)
Distributions	(210)	(55)	(162)
Investment Return (Net of Expenses)	<u>(239)</u>	<u>334</u>	<u>27</u>
Ending Net Assets	<u>\$7,037</u>	<u>\$7,504</u>	<u>\$7,504</u>



**IV. SEPARATELY INVESTED ASSETS**  
**Summary Investment Report at May 31, 2016**  
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 (DEBT PROCEEDS AND (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 02/29/16	1	1	1,602	1,603	97,670	97,670	1,598	1,598	1,220	1,220	102,091	102,092	2,412,605	2,412,605	2,514,696	2,514,697
Increase/(Decrease)	-	-	10,579	10,578	(34,586)	(34,586)	(170)	(170)	(129)	(129)	(24,306)	(24,307)	(211,181)	(211,181)	(235,487)	(235,488)
Ending value 05/31/16	1	1	12,181	12,181	63,084	63,084	1,428	1,428	1,091	1,091	77,785	77,785	2,201,424	2,201,424	2,279,209	2,279,209
<b>Debt Securities:</b>																
Beginning value 02/29/16	-	-	7	6	11,217	11,282	9,196	8,667	-	-	20,420	19,955	-	-	20,420	19,955
Increase/(Decrease)	-	-	-	-	224	404	(46)	70	-	-	178	474	-	-	178	474
Ending value 05/31/16	-	-	7	6	11,441	11,686	9,150	8,737	-	-	20,598	20,429	-	-	20,598	20,429
<b>Equity Securities:</b>																
Beginning value 02/29/16	3,956	10,948	534	544	41,965	62,709	12,534	11,141	-	-	58,989	85,342	-	-	58,989	85,342
Increase/(Decrease)	219	3,629	75	70	(90)	(12,465)	(15)	1,188	-	-	189	(7,578)	-	-	189	(7,578)
Ending value 05/31/16	4,175	14,577	609	614	41,875	50,244	12,519	12,329	-	-	59,178	77,764	-	-	59,178	77,764
<b>Other:</b>																
Beginning value 02/29/16	-	-	814	814	-	-	5	5	452	452	1,271	1,271	-	-	1,271	1,271
Increase/(Decrease)	-	-	4,081	4,083	-	-	-	-	(76)	(76)	4,005	4,007	-	-	4,005	4,007
Ending value 05/31/16	-	-	4,895	4,897	-	-	5	5	376	376	5,276	5,278	-	-	5,276	5,278
<b>Total Assets:</b>																
Beginning value 02/29/16	3,957	10,949	2,957	2,967	150,852	171,661	23,333	21,411	1,672	1,672	182,771	208,660	2,412,605	2,412,605	2,595,376	2,621,265
Increase/(Decrease)	219	3,629	14,735	14,731	(34,452)	(46,647)	(231)	1,088	(205)	(205)	(19,934)	(27,404)	(211,181)	(211,181)	(231,115)	(238,585)
Ending value 05/31/16	4,176	14,578	17,692	17,698	116,400	125,014	23,102	22,499	1,467	1,467	162,837	181,256	2,201,424	2,201,424	2,364,261	2,382,680

Details of individual assets by account furnished upon request.