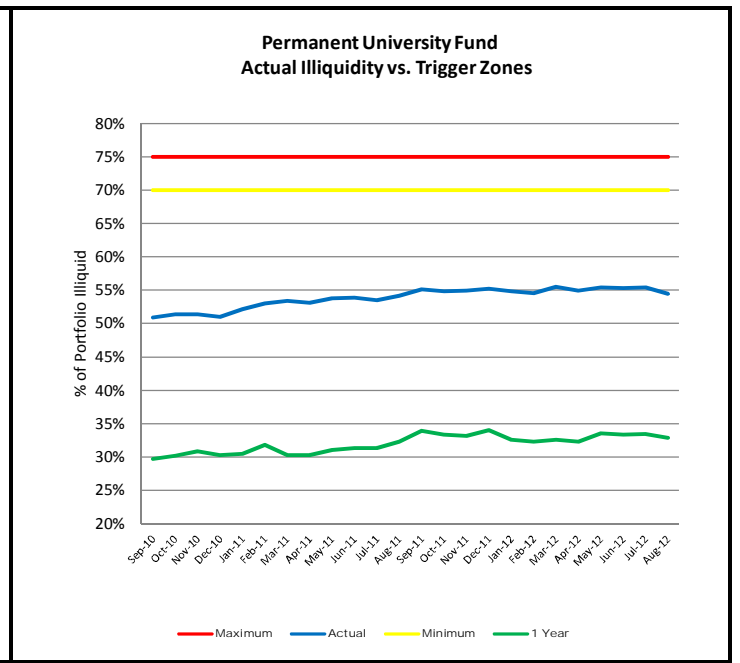
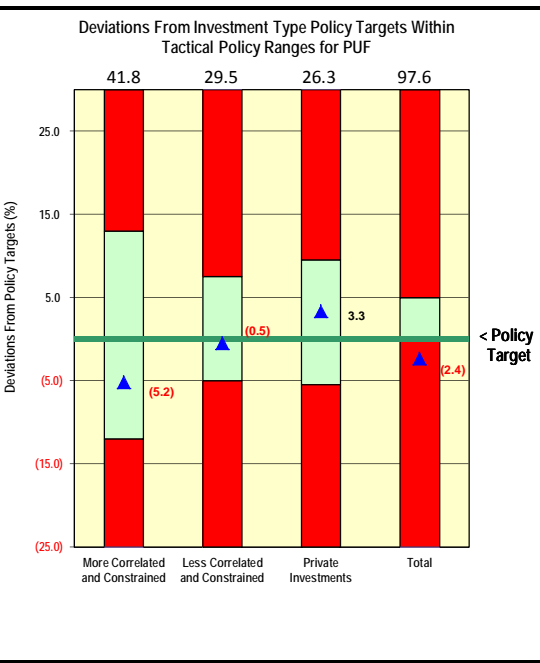
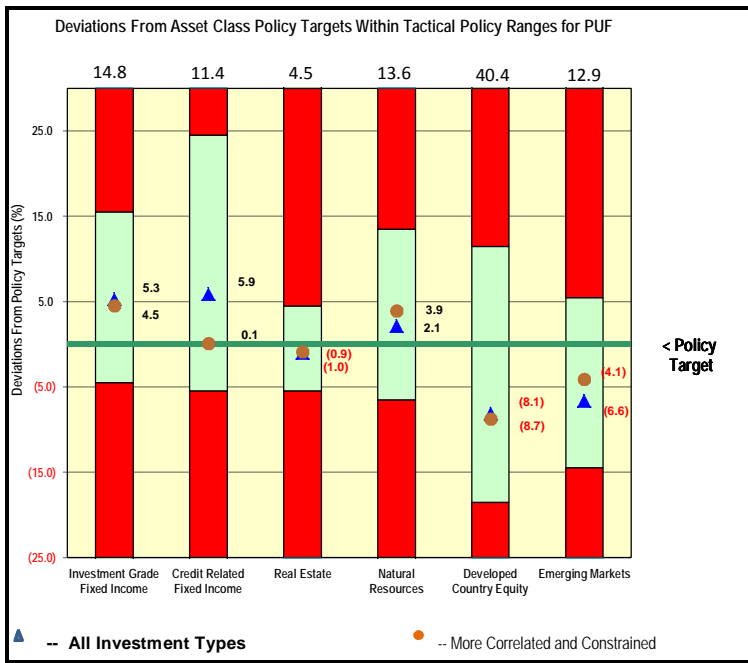


## I. PERMANENT UNIVERSITY FUND Investment Reports for Periods Ended August 31, 2012

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

<u>Summary of Capital Flows</u>				
(\$ millions)	Fiscal Year Ended August 31, 2011	Quarter Ended August 31, 2012	Fiscal Year Ended August 31, 2012	
Beginning Net Assets	\$ 10,725	\$ 12,843	\$ 12,688	
PUF Lands Receipts	896	151	955	
Investment Return (Net of Expenses)	1,573	476	403	
Distributions to AUF	(506)	-	(576)	
Ending Net Assets	<u>\$ 12,688</u>	<u>\$ 13,470</u>	<u>\$ 13,470</u>	

	Returns		Fiscal Year to Date		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
<b>More Correlated and Constrained:</b>					
Investment Grade	0.64%	1.40%	-0.08%	-0.06%	-0.14%
Credit-Related	16.44%	12.10%	0.00%	0.00%	0.00%
Real Estate	4.33%	11.76%	0.00%	-0.18%	-0.18%
Natural Resources	-8.44%	-7.61%	-0.67%	-0.06%	-0.73%
Developed Country	4.73%	8.12%	-0.14%	-0.74%	-0.88%
Emerging Markets	-3.00%	-5.80%	0.14%	0.25%	0.39%
<b>Total More Correlated and Constrained</b>	<b>-1.01%</b>	<b>1.74%</b>	<b>-0.75%</b>	<b>-0.79%</b>	<b>-1.54%</b>
<b>Less Correlated and Constrained</b>	<b>6.64%</b>	<b>-0.64%</b>	<b>0.33%</b>	<b>1.87%</b>	<b>2.20%</b>
<b>Private Investments</b>	<b>7.05%</b>	<b>10.08%</b>	<b>-0.20%</b>	<b>-0.52%</b>	<b>-0.72%</b>
<b>Total</b>	<b>3.21%</b>	<b>3.27%</b>	<b>-0.62%</b>	<b>0.56%</b>	<b>-0.06%</b>

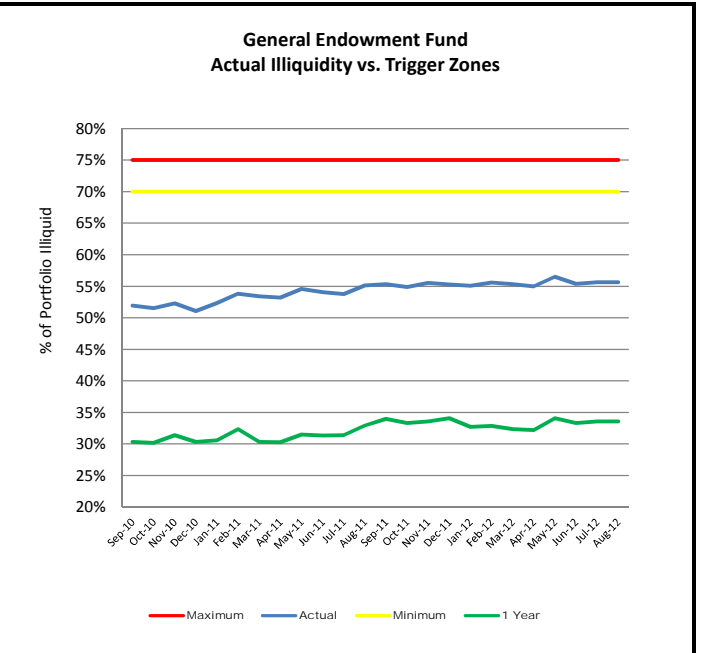
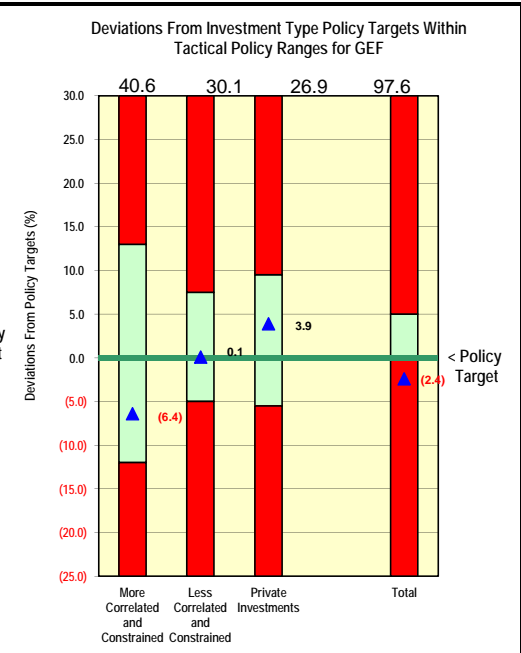
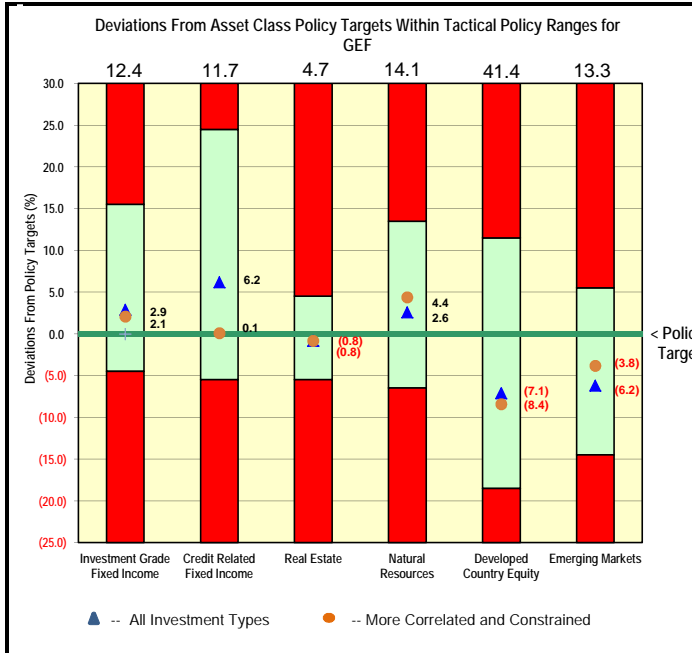


## II. GENERAL ENDOWMENT FUND Investment Reports for Periods Ended August 31, 2012

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

Summary of Capital Flows			
(\$ millions)	Fiscal Year Ended August 31, 2011	Quarter Ended August 31, 2012	Fiscal Year Ended August 31, 2012
Beginning Net Assets	\$ 6,035	\$ 6,884	\$ 7,049
Contributions	432	59	194
Withdrawals	(12)	(12)	(17)
Distributions	(327)	(87)	(344)
Investment Return (Net of Expenses)	921	261	223
Ending Net Assets	<u>\$ 7,049</u>	<u>\$ 7,105</u>	<u>\$ 7,105</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	1.07%	1.40%	-0.03%	-0.05%	-0.08%
Credit-Related	16.44%	12.10%	0.00%	0.00%	0.00%
Real Estate	4.38%	11.76%	0.01%	-0.18%	-0.17%
Natural Resources	-8.49%	-7.61%	-0.66%	-0.09%	-0.75%
Developed Country	4.95%	8.12%	-0.12%	-0.67%	-0.79%
Emerging Markets	-3.00%	-5.80%	0.13%	0.26%	0.39%
<b>Total More Correlated and Constrained</b>	<b>-0.95%</b>	<b>1.74%</b>	<b>-0.67%</b>	<b>-0.73%</b>	<b>-1.40%</b>
<b>Less Correlated and Constrained</b>	<b>6.64%</b>	<b>-0.64%</b>	<b>0.32%</b>	<b>1.80%</b>	<b>2.12%</b>
<b>Private Investments</b>	<b>7.05%</b>	<b>10.08%</b>	<b>-0.19%</b>	<b>-0.56%</b>	<b>-0.75%</b>
<b>Total</b>	<b>3.24%</b>	<b>3.27%</b>	<b>-0.54%</b>	<b>0.51%</b>	<b>-0.03%</b>

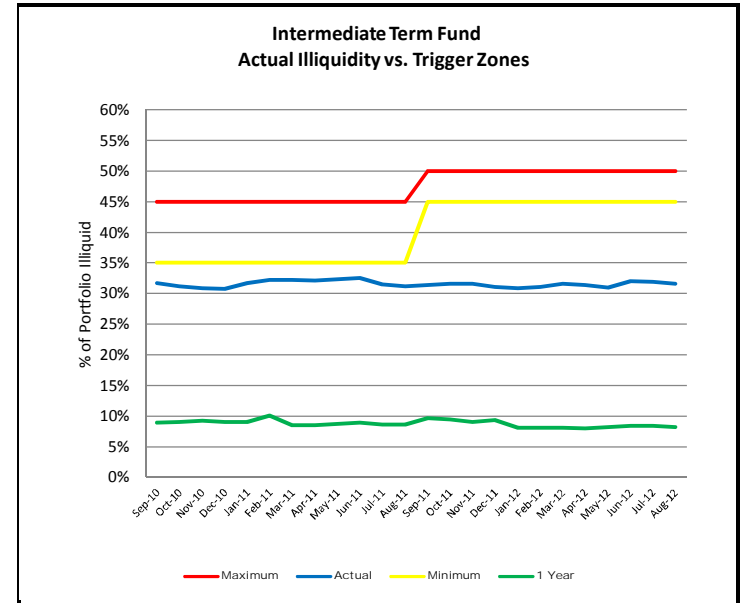
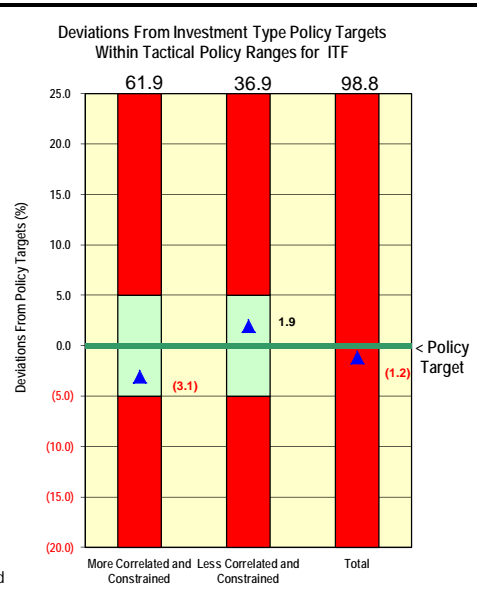
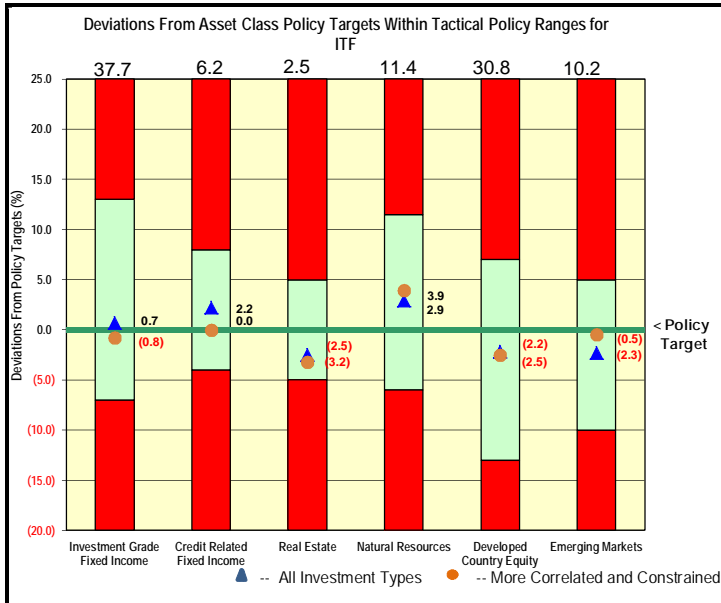


### III. INTERMEDIATE TERM FUND Investment Reports for Periods Ended August 31, 2012

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

<u>Summary of Capital Flows</u>			
(\$ millions)	Fiscal Year Ended August 31, 2011	Quarter Ended August 31, 2012	Fiscal Year Ended August 31, 2012
Beginning Net Assets	\$ 4,156	\$ 4,745	\$ 4,662
Contributions	328	24	420
Withdrawals	(168)	(44)	(183)
Distributions	(139)	(36)	(142)
Investment Return (Net of Expenses)	485	204	136
Ending Net Assets	<u>\$ 4,662</u>	<u>\$ 4,893</u>	<u>\$ 4,893</u>

	Returns		Fiscal Year to Date		
	Portfolio	Policy Benchmark	From Asset Allocation	From Security Selection	Total
<b>More Correlated and Constrained:</b>					
Investment Grade	4.04%	1.40%	0.03%	0.90%	0.93%
Credit-Related	0.00%	0.00%	0.00%	0.00%	0.00%
Real Estate	3.21%	11.76%	-0.08%	-0.43%	-0.51%
Natural Resources	-9.09%	-7.61%	-0.60%	-0.14%	-0.74%
Developed Country	5.70%	8.12%	-0.12%	-0.27%	-0.39%
Emerging Markets	-3.26%	-5.80%	-0.02%	0.16%	0.14%
<b>Total More Correlated and Constrained</b>	<b>0.96%</b>	<b>1.80%</b>	<b>-0.79%</b>	<b>0.22%</b>	<b>-0.57%</b>
<b>Less Correlated and Constrained</b>	<b>6.63%</b>	<b>-0.64%</b>	<b>0.27%</b>	<b>2.17%</b>	<b>2.44%</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>2.87%</b>	<b>1.00%</b>	<b>-0.52%</b>	<b>2.39%</b>	<b>1.87%</b>



**IV. SEPARATELY INVESTED ASSETS**  
**Summary Investment Report at August 31, 2012**  
 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 05/31/12	-	-	2,252	2,252	60,757	60,757	2,464	2,464	3,079	3,079	68,552	68,552	2,282,335	2,282,335	2,350,887	2,350,887
Increase/(Decrease)	-	-	(585)	(585)	(21,491)	(21,491)	(285)	(285)	(1,878)	(1,878)	(24,239)	(24,239)	(111,415)	(111,415)	(135,654)	(135,654)
Ending value 08/31/12	-	-	1,667	1,667	39,266	39,266	2,179	2,179	1,201	1,201	44,313	44,313	2,170,920	2,170,920	2,215,233	2,215,233
<b>Debt Securities:</b>																
Beginning value 05/31/12	-	-	45	45	11,668	12,821	8,610	9,179	-	-	20,323	22,045	49,841	49,507	70,164	71,552
Increase/(Decrease)	-	-	-	-	110	284	-	153	-	-	110	437	(49,841)	(49,507)	(49,731)	(49,070)
Ending value 08/31/12	-	-	45	45	11,778	13,105	8,610	9,332	-	-	20,433	22,482	-	-	20,433	22,482
<b>Equity Securities:</b>																
Beginning value 05/31/12	460	3,086	197	192	29,797	32,079	13,634	13,119	-	-	44,088	48,476	-	-	44,088	48,476
Increase/(Decrease)	1	204	900	1,138	320	2,338	-	1,067	-	-	1,221	4,747	-	-	1,221	4,747
Ending value 08/31/12	461	3,290	1,097	1,330	30,117	34,417	13,634	14,186	-	-	45,309	53,223	-	-	45,309	53,223
<b>Other:</b>																
Beginning value 05/31/12	-	-	262	262	9	9	451	144	200	200	922	615	-	-	922	615
Increase/(Decrease)	-	-	5,425	5,425	1	1	5	-	5,979	5,979	11,410	11,405	-	-	11,410	11,405
Ending value 08/31/12	-	-	5,687	5,687	10	10	456	144	6,179	6,179	12,332	12,020	-	-	12,332	12,020
<b>Total Assets:</b>																
Beginning value 05/31/12	460	3,086	2,756	2,751	102,231	105,666	25,159	24,906	3,279	3,279	133,885	139,688	2,332,176	2,331,842	2,466,061	2,471,530
Increase/(Decrease)	1	204	5,740	5,978	(21,060)	(18,868)	(280)	935	4,101	4,101	(11,498)	(7,650)	(161,256)	(160,922)	(172,754)	(168,572)
Ending value 08/31/12	461	3,290	8,496	8,729	81,171	86,798	24,879	25,841	7,380	7,380	122,387	132,038	2,170,920	2,170,920	2,293,307	2,302,958

Details of individual assets by account furnished upon request.