

The Texas A&M University System
 Combined Report

| Investment Type | August 31, 2006 Book Value | August 31, 2006 Market Value |
|--|-------------------------------|---------------------------------|
| Equity Securities: | | |
| Common Stocks and Other Equities | \$95,918,731.00 | \$103,344,837.71 |
| Equity Mutual Funds | \$91,621,764.26 | \$117,476,772.63 |
| Equity Collective Funds | \$255,019,851.76 | \$267,287,594.84 |
| Other - International Equity | \$72,649,826.82 | \$90,456,913.85 |
| Other - International Mutual Funds | \$83,029,729.93 | \$96,377,310.14 |
| Other - International Collective Funds | \$79,000,000.00 | \$94,251,274.83 |
| Total Equities | \$677,239,903.77 | \$769,194,704.00 |
| Other Investments: | | |
| Real Estate (REIT) | \$32,676,745.71 | \$36,830,612.28 |
| Gas Hedge | \$756,000.00 | \$756,000.00 |
| Private Equity | \$28,987,663.55 | \$33,679,837.05 |
| Hedge Funds | \$116,875,261.50 | \$144,564,507.21 |
| Other - Bank Loans | \$84,781,137.10 | \$88,842,323.13 |
| Other - Timber | \$11,318,858.46 | \$12,555,888.75 |
| Other - Life Insurance | \$5,386.43 | \$5,386.43 |
| Other - Mineral Interests | \$1,533.07 | \$1,533.07 |
| Total Other Investments | \$275,402,585.82 | \$317,236,087.92 |
| Debt Investments >1 year: (1) | | |
| U.S. Government | \$135,411,084.08 | \$135,101,729.45 |
| U.S. Government Agency | \$11,057,512.01 | \$11,025,806.07 |
| Mortgage Pass Throughs | \$181,006,617.44 | \$180,114,724.25 |
| C.M.O.s | | |
| CMO - Government | \$6,922,448.05 | \$6,954,985.83 |
| CMO - Corporate | \$173,726,838.13 | \$172,144,079.50 |
| Other Asset-Backed Bonds | \$105,063,123.72 | \$104,695,719.35 |
| Foreign Issue Obligations | \$31,752,239.43 | \$32,762,856.03 |
| Corporate Obligations: | | |
| Highly Rated (AAA/AA) | \$35,519,465.19 | \$35,432,362.85 |
| Investment Grade (A/BBB) | \$185,525,059.76 | \$184,234,263.30 |
| NR/High Yield (<BBB) | \$32,279,282.16 | \$31,747,164.55 |
| Bond Mutual Funds | \$32,082,313.27 | \$31,899,861.30 |
| Other - Foreign Currency | \$201,034.31 | \$201,016.80 |
| Other - Commercial Paper | \$5,272,089.73 | \$5,272,000.00 |
| Total Debt >1 year | \$935,819,107.28 | \$931,586,569.28 |
| Debt Investments <1 year: (2) | | |
| U.S. Government | \$20,977,968.75 | \$20,864,400.00 |
| U.S. Govt Agency | \$60,654,498.12 | \$60,475,918.39 |
| A1/P1 Commercial Paper | \$66,641,420.14 | \$66,641,410.65 |
| Repurchase Agreements | \$279,974,535.00 | \$279,974,535.00 |
| Bank Deposits | \$9,104,118.97 | \$9,104,118.97 |
| TTSTC Investment | \$405,377.98 | \$405,377.98 |
| Other - Asset Backed Securities | \$6,308,960.54 | \$6,301,237.32 |
| Other - Corporate Notes - (AAA/AA) | \$24,699,153.10 | \$24,695,766.00 |
| Other - Corporate Notes - (A/BBB) | \$29,363,671.00 | \$29,382,071.50 |
| Total Short Term Debt | \$498,129,703.60 | \$497,844,835.81 |
| TOTAL INVESTMENTS | \$2,386,591,300.47 | \$2,515,862,197.01 |
| Int/Dividends Receivable | \$8,246,900.76 | \$8,246,900.76 |
| Payables | (\$959,081.43) | (\$959,081.43) |
| Foreign Currency Fluctuations - Receivable | \$61,384.26 | \$61,384.26 |
| Foreign Currency Fluctuations - Payable | (\$6,853.70) | (\$6,853.70) |
| FFX Contract Receivable | \$26,262,493.80 | \$26,262,493.80 |
| FFX Contract Payable | (\$26,434,451.92) | (\$26,434,451.92) |
| Pending Purchases | (\$156,921,124.02) | (\$156,921,124.02) |
| Pending Sales | \$27,794,350.19 | \$27,794,350.19 |
| NET INVESTMENTS | \$2,264,634,918.41 | \$2,393,905,814.95 |

(1) Classification includes non-current investments without regard to maturity.

(2) Classification includes current investments without regard to maturity.

**The Texas A&M University System
Cash Concentration Pool**

| Investment Type | August 31, 2006 Book Value | August 31, 2006 Market Value |
|--|-------------------------------|---------------------------------|
| Equity Securities: | | |
| U.S. Common Stocks | \$40,736,572.05 | \$44,581,130.00 |
| Equity Mutual Funds | \$44,950,638.42 | \$56,705,032.18 |
| Equity Collective Funds | \$143,023,346.12 | \$150,161,619.98 |
| Other - International Equity | \$35,256,577.16 | \$44,757,793.91 |
| Other - International Mutual Funds | \$47,817,214.82 | \$55,952,051.97 |
| Other - International Collective Funds | \$39,000,000.00 | \$46,608,175.38 |
| Total Equities | \$350,784,348.57 | \$398,765,803.42 |
| Other Investments: | | |
| Hedge Funds | \$26,000,000.00 | \$28,194,321.05 |
| Other - Bank Loans | \$65,830,059.40 | \$68,983,450.91 |
| Total Other Investments | \$91,830,059.40 | \$97,177,771.96 |
| Debt Investments >1 year: (1) | | |
| U.S. Government | \$123,497,290.86 | \$123,196,122.60 |
| U.S. Government Agency | \$7,431,402.08 | \$7,410,052.39 |
| Mortgage Pass Throughs C.M.O.s | \$142,317,942.31 | \$141,556,756.54 |
| CMO - Government | \$5,058,423.59 | \$5,082,181.65 |
| CMO - Corporate | \$163,449,769.13 | \$161,952,269.46 |
| Other Asset-Backed Bonds | \$92,151,436.54 | \$91,791,366.65 |
| Foreign Issue Obligations | \$23,460,584.48 | \$24,200,818.16 |
| Corporate Obligations: | | |
| Highly Rated (AAA/AA) | \$28,861,375.27 | \$28,774,057.76 |
| Investment Grade (A/BBB) | \$166,029,704.69 | \$164,839,365.11 |
| NR/High Yield (<BBB) | \$29,006,991.43 | \$28,563,467.80 |
| Bond Mutual Funds | \$32,082,313.27 | \$31,899,861.30 |
| Other - Foreign Currency | \$22,308.62 | \$22,298.29 |
| Other - Commercial Paper | \$3,862,065.73 | \$3,862,000.00 |
| Total Debt >1 year | \$817,231,608.00 | \$813,150,617.71 |
| Debt Investments <1 year: (2) | | |
| Bank Deposits | \$9,065,173.76 | \$9,065,173.76 |
| Total Short Term Debt | \$9,065,173.76 | \$9,065,173.76 |
| TOTAL INVESTMENTS | \$1,268,911,189.73 | \$1,318,159,366.85 |
| Int/Dividends Receivable | \$5,868,266.10 | \$5,868,266.10 |
| Payables | (\$516,503.44) | (\$516,503.44) |
| Foreign Currency Fluctuations - Receivable | \$44,647.07 | \$44,647.07 |
| Foreign Currency Fluctuations - Payable | (\$4,312.87) | (\$4,312.87) |
| FFX Contract Receivable | \$19,261,648.22 | \$19,261,648.22 |
| FFX Contract Payable | (\$19,261,648.22) | (\$19,261,648.22) |
| Pending Purchases | (\$94,722,705.24) | (\$94,722,705.24) |
| Pending Sale | \$20,972,176.82 | \$20,972,176.82 |
| NET INVESTMENTS (3) | \$1,200,552,758.17 | \$1,249,800,935.29 |

(1) Classification includes non-current investments without regard to maturity.

(2) Classification includes current investments without regard to maturity.

(3) The Net Investments total does not reflect the pool's ownership in the Proprietary Money Market Fund. As of 8/31/06, the CCP owned \$6,555,836.84 in its long term accounts and \$438,156,349.46 in its short term accounts, for a total investment in the proprietary money market fund of \$444,712,186.30.

**The Texas A&M University System
System Endowment Fund**

| Investment Type | August 31, 2006 Book Value | August 31, 2006 Market Value |
|--|-------------------------------|---------------------------------|
| Equity Securities: | | |
| U.S. Common Stocks | \$54,928,306.54 | \$58,078,394.60 |
| Equity Mutual Funds | \$45,532,424.60 | \$59,403,703.66 |
| Equity Collective Funds | \$111,996,505.64 | \$117,125,974.86 |
| Other - International Equity | \$37,393,249.66 | \$45,699,119.94 |
| Other - International Mutual Funds | \$35,212,515.11 | \$40,425,258.17 |
| Other - International Collective Funds | \$40,000,000.00 | \$47,643,099.45 |
| Total Equities | \$325,063,001.55 | \$368,375,550.68 |
| Other Investments: | | |
| Real Estate (REIT) | \$32,676,745.71 | \$36,830,612.28 |
| Private Equity | \$28,901,406.00 | \$33,577,679.50 |
| Hedge Funds | \$90,875,261.50 | \$116,370,186.16 |
| Other - Bank Loans | \$18,951,077.70 | \$19,858,872.22 |
| Other - Timber | \$11,318,858.46 | \$12,555,888.75 |
| Total Other Investments | \$182,723,349.37 | \$219,193,238.91 |
| Debt Investments >1 year: (1) | | |
| U.S. Government | \$11,913,793.22 | \$11,905,606.85 |
| U.S. Government Agency | \$3,626,109.93 | \$3,615,753.68 |
| Mortgage Pass Throughs | \$38,688,675.13 | \$38,557,967.71 |
| C.M.O.s | | |
| CMO - Government | \$1,864,024.46 | \$1,872,804.18 |
| CMO - Corporate | \$10,277,069.00 | \$10,191,810.04 |
| Other Asset-Backed Bonds | \$12,911,687.18 | \$12,904,352.70 |
| Foreign Issue Obligations | \$8,291,654.95 | \$8,562,037.87 |
| Corporate Obligations: | | |
| Highly Rated (AAA/AA) | \$6,658,089.92 | \$6,658,305.09 |
| Investment Grade (A/BBB) | \$19,495,355.07 | \$19,394,898.19 |
| NR/High Yield (<BBB) | \$3,272,290.73 | \$3,183,696.75 |
| Other - Foreign Currency | \$178,725.69 | \$178,718.51 |
| Other - Commercial Paper | \$1,410,024.00 | \$1,410,000.00 |
| Total Debt >1 year | \$118,587,499.28 | \$118,435,951.57 |
| TOTAL INVESTMENTS | \$626,373,850.20 | \$706,004,741.16 |
| Int/Dividends Receivable | \$968,297.11 | \$968,297.11 |
| Payables | (\$442,577.99) | (\$442,577.99) |
| Foreign Currency Fluctuations - Receivable | \$16,737.19 | \$16,737.19 |
| Foreign Currency Fluctuations - Payable | (\$2,540.83) | (\$2,540.83) |
| FFX Contract Receivable | \$7,000,845.58 | \$7,000,845.58 |
| FFX Contract Payable | (\$7,172,803.70) | (\$7,172,803.70) |
| Pending Purchases | (\$27,724,853.39) | (\$27,724,853.39) |
| Pending Sales | \$6,822,173.37 | \$6,822,173.37 |
| NET INVESTMENTS (3) | \$605,839,127.54 | \$685,470,018.50 |

(1) Classification includes non-current investments without regard to maturity.

(2) Classification includes current investments without regard to maturity.

(3) The Net Investments total does not reflect the System Endowment Fund's ownership in the Proprietary Money Market Fund which was \$8,372,256.83 as of 8/31/06. All of the SEF's investments are long term.

**The Texas A&M University System
Proprietary Money Market Fund**

| Investment Type | <u>August 31, 2006 Book Value</u> | <u>August 31, 2006 Market Value</u> |
|--|---------------------------------------|---|
| Debt Investments <1 year: (2) | | |
| U.S. Government | \$20,977,968.75 | \$20,864,400.00 |
| U.S. Govt Agency | \$60,654,498.12 | \$60,475,918.39 |
| A1/P1 Commercial Paper | \$66,641,420.14 | \$66,641,410.65 |
| Repurchase Agreements | \$279,974,535.00 | \$279,974,535.00 |
| Bank Deposits | \$0.73 | \$0.73 |
| Other - Asset Backed Securities | \$6,308,960.54 | \$6,301,237.32 |
| Other - Corporate Notes - (AAA/AA) | \$24,699,153.10 | \$24,695,766.00 |
| Other - Corporate Notes - (A/BBB) | \$29,363,671.00 | \$29,382,071.50 |
| Total Short Term Debt | \$488,620,207.38 | \$488,335,339.59 |
| TOTAL INVESTMENTS | \$488,620,207.38 | \$488,335,339.59 |
| Int/Dividends Receivable | \$1,410,278.32 | \$1,410,278.32 |
| Pending Purchases | (\$34,473,565.39) | (\$34,473,565.39) |
| Pending Sales | \$0.00 | \$0.00 |
| NET INVESTMENTS (3) | \$455,556,920.31 | \$455,272,052.52 |
| Prop Fund Reconciling Items | | |
| Unrealized Loss | | \$284,867.79 |
| Mgmt fees pd by Prop Fund in Sept for August | (\$3,492.60) | (\$3,492.60) |
| Accrued Interest Due to Manager Accounts | (\$1,504,714.24) | (\$1,504,714.24) |
| | \$454,048,713.47 | \$454,048,713.47 |
| Ownership of Proprietary Money Market Fund: | | |
| Gas Hedge Account | \$964,270.34 | |
| CCP Manager Accounts | \$6,555,836.84 | |
| CCP Short Term Pool | \$438,156,349.46 | |
| SEF Manager Accounts | \$3,951,453.25 | |
| SEF Holding Account | \$4,420,803.58 | |
| Total | \$454,048,713.47 | |

**The Texas A&M University System
Separately Held Assets**

| Investment Type | <u>August 31, 2006 Book Value</u> | <u>August 31, 2006 Market Value</u> |
|---|---------------------------------------|---|
| Equity Securities: | | |
| Common Stocks and Other Equities | \$253,852.41 | \$685,313.11 |
| Equity Mutual Funds | \$1,138,701.24 | \$1,368,036.79 |
| Total Equities | <u>\$1,392,553.65</u> | <u>\$2,053,349.90</u> |
| Other Investments: | | |
| Gas Hedge | \$756,000.00 | \$756,000.00 |
| Private Equity | \$86,257.55 | \$102,157.55 |
| Other - Life Insurance | \$5,386.43 | \$5,386.43 |
| Other - Mineral Interests | \$1,533.07 | \$1,533.07 |
| Total Other Investments | <u>\$849,177.05</u> | <u>\$865,077.05</u> |
| Debt Investments <1 year: (2) | | |
| Bank Deposits | \$38,944.48 | \$38,944.48 |
| TTSTC Investment | \$405,377.98 | \$405,377.98 |
| Total Short Term Debt | <u>\$444,322.46</u> | <u>\$444,322.46</u> |
| TOTAL INVESTMENTS | <u>\$2,686,053.16</u> | <u>\$3,362,749.41</u> |
| Int/Dividends Receivable | \$59.23 | \$59.23 |
| NET INVESTMENTS | <u><u>\$2,686,112.39</u></u> | <u><u>\$3,362,808.64</u></u> |

(1) Classification includes non-current investments without regard to maturity.

(2) Classification includes current investments without regard to maturity.